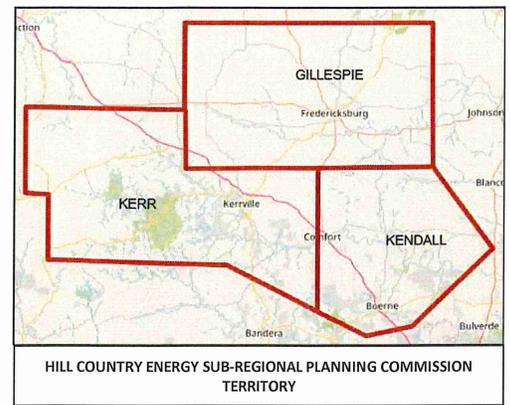


HILL COUNTRY ENERGY SUB-REGIONAL PLANNING COMMISSION



March 6, 2026

State Auditor's Office
Attention: Reports
submitreports@sao.texas.gov

Hill Country Energy Sub-Regional Planning Commission (HCESRPC) Annual Report for Fiscal Year 2025

Please find attached for your review, a copy of the HCESRPC's annual report for the first fiscal year of the commission's operation. Due to the federal disaster declaration issued for Kerr County (also attached), normal operations were disrupted. Staff and resources were redirected to emergency response and recovery activities, and access to records and personnel necessary to complete the Chapter 391 productivity report was temporarily limited. Accordingly, the Commission respectfully submits this report as soon as practicable following restoration of operations and requests that it be accepted as timely under the circumstances created by the declared disaster.

Sincerely,

Rich Paces
President, HCESRPC

Attachments

CC:

Governor's Office Budget and Policy reporting inbox - budgetandpolicyreports@gov.texas.gov
Legislative Budget Board - docs.lbb.texas.gov

700 Main, Ste. 101
Kerrville, Texas 78028
(830) 343-9107
Email: rpaces@co.kerr.tx.us
Website: www.HCESRPC.com

Hill Country Energy Sub-Regional Planning Commission

Report to the State Auditor for Fiscal Year 2024-2025

The Hill Country Energy Sub-Regional Planning Commission (HCESRPC or “commission”) was formally established on February 11, 2025 when the HCESRPC’s governing documents, Interlocal Agreement and Bylaws, were executed by Kerr and Kendall Counties. A copy of the HCESRPC bylaws is provided as Exhibit “A”. The first HCESRPC Board meeting was held on February 14, 2025. Gillespie County subsequently joined the HCESRPC on November 18, 2025 after the amended Interlocal Agreement and Bylaws were executed by all three counties.

Exhibit “B” shows the Officers and members of the Board. A report of the commission’s productivity and performance during the reporting period is provided in Exhibit “C” and our projections for productivity and performance for the next period are provided in Exhibit “D”.

Our bylaws prohibit the receipt or use of public funds from either county, although our bylaws do allow the HCESRPC Board to utilize county facilities for meetings, if available, at no cost to the HCESRPC. No other county staff or services may be utilized by the commission. Meetings are rotated between the counties and are generally held in one of the county courthouses. A summary of the regular meetings of the HCESRPC Board is provided in Exhibit “E”.

The HCESRPC Board has intentionally avoided raising or receiving any funds and no funds were expended by the HCESRPC during the year. The commission does not possess any assets, nor were any assets disposed of. As no funds were received and the HCESRPC had no expenses, no independent audit on the affairs of the commission was conducted.

The HCESRPC is committed to:

- Protecting and preserving the health, safety, and welfare of the people of Kendall and Kerr Counties.
- Coordinating and collaborating with local government entities that share similar needs, ensuring effective planning on matters related to public health, safety, and general welfare. This includes addressing issues surrounding Energy Storage Systems (ESS) that impact the jurisdiction and residents of the HCESRPC.
- Working in accordance with Texas Local Government Code 391 to engage with Texas State and federal agencies involved in the planning, regulation, and approval of ESS facilities within the HCESRPC’s jurisdiction.

Exhibit "A"
Copy of the Bylaws

FOR ACTION

COURT ORDER #41131
BY-LAWS OF
HILL COUNTRY ENERGY
SUB-REGIONAL PLANNING COMMISSION
(Herein after referred to as “Commission” or “HCESRPC”)

ARTICLE I OFFICES

Offices. The HCESRPC may utilize such office or offices, at such suitable place or places within the region (“Commission Territory”), as the Commission Board of Directors may from time to time determine as necessary or desirable for the conduct of the operations, affairs, and business activities of HCESRPC.

ARTICLE II MEMBERSHIP

The HCESRPC shall consist of governmental unit members as specified in the Texas Local Government Code, Chapter 391, Regional Planning Commissions and as admitted for membership by Kendall County, Texas (“Kendall County”) and Kerr County, Texas (“Kerr County”) (collectively “Counties”) by and through the specific approval of the respective governing bodies of said counties, the same being the Commissioners Court of Kendall County, Texas and the Commissioners Court of Kerr County, Texas.

ARTICLE III GOVERNING BOARD OF DIRECTORS

Section 1. Powers: There shall be a governing Board of Directors of the Commission, also referred to as the “Board,” which shall manage, supervise and control the operations, business activities, and affairs of the HCESRPC as provided by law and these By-Laws -- however, and notwithstanding anything to the contrary stated in these By-Laws, and pursuant to Chapter 391 of the Texas Local Government Code (“Chapter 391”) and Chapter 791 of the Texas Government Code (“Chapter 791”) – it is expressly understood that all powers and authority of the Board to manage, supervise, and control the operations, business activities, and affairs of the Commission shall be expressly subject in all things to the provisions of the Commission’s master governance document (including without limitation the “Operational Restrictions” therein described), said document being identified as follows: that certain Interlocal Governmental Cooperative Agreement by and between Kendall County, Texas and Kerr County, Texas Regarding Creation of the Hill Country Energy Sub-Regional Planning Commission (“Counties’ Agreement”), with its effective date being February 11, 2025, and incorporated by reference. Subject to the provisions of said agreement, the Board shall: (a) conduct the operations, business activities, and affairs of the Commission in compliance with County Agreement; and (b) elect the officers of the Commission, by and from the Board members, and those officers shall be identified as follows – President, Vice-President, Secretary, Treasurer, and such other officers, if needed, as deemed necessary or advisable by the Board members in compliance with these By-Laws and the County Agreement. Notwithstanding anything to the contrary stated in these By-Laws, should a conflict exist between one or more provisions of the Counties’ Agreement and these By-Laws, the Counties’ Agreement shall control and be interpreted as fully operative.

Section 2. Specific Authority to Further the Purposes of the HCESRPC. The Board shall perform the operations, business activities, and affairs of the Commission in compliance with the Counties’ Agreement in order to (a) further the purposes of the Commission, and (b) accomplish or

substantially achieve all public purposes described in the Counties' Agreement and these By-Laws.

Section 3. Number. The initial Governing Board appointed in compliance with the Counties' Agreement shall be comprised of six (6) individuals, with five (5) elected officials and five (5) voting members, as described below:

	POSITION	ELECTED OFFICIAL	VOTING MEMBER
1	Kendall County -- County Commissioner	Yes	Yes
2	Kendall County -- County Commissioner	Yes	Yes
3	Kerr County -- County Commissioner	Yes	Yes
4	Kerr County -- County Commissioner	Yes	Yes
5	Agricultural or Landowner Representative From Kendall County or Kerr County	No	Yes
6	Member of the Texas State Legislature	Yes	No

The Board members shall be appointed (initially and when a vacancy occurs due to the term expiration or resignation of a Board Member) by the Counties as herein described, pursuant to and in compliance with the Counties' Agreement (including the qualifications for Board membership therein described). The members of the Board shall serve until their successors are appointed and qualified. Thereafter, if additional counties or municipalities become part of the HCESRPC, at least two-thirds of the members of the Board shall be elected officials of the participating counties or municipalities. The Counties may increase or decrease the number of directors through an authorized amendment of the Counties' Agreement and these By-Laws, but at least two-thirds of the Board shall be elected officials of participating counties or municipalities, and the total number of voting directors shall be an odd number, unless otherwise determined by the Counties through an authorized amendment of the Counties' Agreement and these By-Laws.

Section 4. Appointment of Board Members and Term of Office.

(a) Regarding the County Commissioner positions on the Board designated to be filled by qualified individuals from Kendall County, those Board positions shall be appointed by the Kendall County Commissioners Court, including vacancies in office which occur regarding said positions.

(b) Regarding the County Commissioner positions on the Board designated to be filled by qualified individuals from Kerr County, those Board positions shall be appointed by the Kerr County Commissioners Court, including vacancies in office which occur regarding said positions.

(c) Regarding the agricultural or landowner representative position on the Board designated to be filled by a qualified individual from Kendall County or Kerr County, that Board position shall be appointed by the Kendall County Commissioners Court in even-numbered calendar years, including a vacancy in office which occurs in an even-numbered calendar year regarding said position.

(d) Regarding the agricultural or landowner representative position on the Board designated to be filled by a qualified individual from Kendall County or Kerr County, that Board position shall be appointed by the Kerr County Commissioners Court in odd-numbered calendar years, including a vacancy in office which occurs in an odd-numbered calendar year regarding said position.

(e) Elected Members of the Board shall serve for a term of two (2) years. Members of the Board may be reappointed for a subsequent term pursuant to the exercise of the authority, discretion, and best business judgment of the appointing Commissioners Court. Notwithstanding the foregoing, the Agricultural or Landowner Representative position shall serve a one (1) year

term.

Section 5. Resignation and Withdrawal. Any member of the Board may resign at any time by giving written notice to the President of the HCESRPC. Such resignation shall take effect at the time the written notice is presented to the President of the HCESRPC. Any participating governmental unit entity (city, county, school district, authority, water district, political subdivision, etc.) may withdraw from the HCESRPC at any time in any manner agreed upon by the governing body of the participating entity. Upon withdrawal of a participating governmental unit, the resulting operations and business activities of the Commission shall be governed by those provisions in section 3.1 of the Counties' Agreement, which matters are hereby incorporated by reference.

Section 6. Removal. Any Board member or officer of the Commission may be removed by the Counties for cause pursuant to the substantive law and procedure described in section 3.1 of the Counties' Agreement, which matters are hereby incorporated by reference. The act of removal shall be deemed established by the approval of said removal by a Commissioners Court, as therein described.

Section 7. Regular Meetings. The Board will hold regular public meetings for the purpose of transacting business. The meeting frequency shall be at least quarterly each fiscal year period and may be increased to monthly meetings if so agreed by the Board or requested by the Counties based upon anticipated need. The meeting location shall rotate between member Counties at: (a) as a first option, their respective government office spaces provided by the Counties to the Commission, at no cost to the Commission, but subject to the scheduling and meeting space availability requirements of the Counties; or (b) as a second option, another meeting place determined by the Board and located in either Kendall County, Texas or Kerr County, Texas.

Section 8. Special Meetings. Special meetings of the Board may be called at the direction of the President of the HCESRPC or by a majority of the Board members then in office, or by the Counties' request, said meeting to be held at such time, day and place as shall be designated in the notice of the meeting, but at the first option location, or alternatively second option location, as described in section 7 above.

Section 9. Open Government Compliance. The Commission, and its Board, officers, and committees shall comply with: (a) Chapter 551 of the Texas Government Code, the Texas Open Meetings Act; and (b) Chapter 552 of the Texas Government Code, the Texas Public Information Act.

Section 10. Quorum. A majority of the voting Board members present at a meeting (meaning at least three voting Board members -- including in said number at least one elected official Board member from Kendall County and one elected official Board member from Kerr County) shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 11. Manner of Acting. Except as required by law, the By-Laws, or the Counties' Agreement, the affirmative vote of a majority of the voting Board members present at any meeting of the Board at which a quorum is present (as the quorum concept has been described in Section 10) shall be the act of the Board. Each voting Board member shall have one vote. Voting by proxy shall not be permitted.

ARTICLE IV OFFICERS

Section 1. Officers. The officers of the HCESRPC shall be elected from the members of the Board and shall consist of a President, a Vice President, a Secretary, and a Treasurer. The HCESRPC shall have such other officers and assistant officers as the Board may from time to time deem necessary, such officers to have the authority, and to perform the duties prescribed from time to time by the Board, but subject to the provisions of the Counties' Agreement.

Section 2. Election of Officers. The initial officers of the HCESRPC shall be nominated and elected by those in attendance at the first Board meeting. Thereafter, the officers of the HCESRPC shall be elected by the members of the Board of the HCESRPC at the next annual meeting of the Governing Board.

Section 3. Term of Office. The officers of the HCESRPC shall be installed at the meeting at which they are elected and shall hold office until their respective successors shall have been duly elected and qualified. The term of office for a Board member officer shall be two (2) years.

Section 4. Resignation. Any Board member officer of the Commission may resign at any time by giving written notice to the President of the HCESRPC. Such resignation shall take effect at the time the notice is provided to the President.

Section 5. Removal. Any Board member officer of the Commission may be removed by the procedure described in section 3.1 of the Counties' Agreement and Section 6 above, which matters are hereby incorporated by reference. The act of removal shall be deemed established by the approval of said removal by a Commissioners Court, as therein described.

Section 6. Vacancies. An officer vacancy because of death, resignation, removal, disqualification, or otherwise, shall be filled by Board: (a) from the remaining persons in active service as Board members; or (b) from the persons in active service as Board members after a Board vacancy is filled by the Commissioners Court action described in Article III of these By-Laws.

Section 7. President. The President shall be the chief executive officer of the HCESRPC and, subject to the overall guidance and supervision of the Board, give active direction to and have control of the business and affairs of the HCESRPC, subject to the provisions of the Counties' Agreement and these By-Laws. He or she may sign any instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these By-Laws or by statute to some other officer or agent of the HCESRPC; and in general, he or she shall perform all duties incident to the office of President and such other duties as may be authorized for performance by the President by the Board, these By-Laws, or the Counties' Agreement from time to time.

Section 8. Vice-President. The Vice President shall perform the duties of the President in the event of his or her inability or refusal to act, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned by the President or authorized for performance by the Vice-President by the Board, these By-Laws, or the Counties' Agreement.

Section 9. Secretary. The Secretary shall: (a) keep the minutes of the meetings of the members and the Board in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law, these By-Laws, or the

Counties' Agreement; (c) be custodian of the corporate records and of the seal of the HCESRPC (if any); and (d) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or Board, or authorized for performance by the Secretary by the Board, these By-Laws, or the Counties' Agreement.

Section 10. Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the HCESRPC; (b) receive and give receipts for moneys due and payable to the HCESRPC from any source whatsoever, and deposit all such moneys in the name of the HCESRPC in such bank(s), trust companies or other depositories as shall be selected in accordance with the provisions of Article VI of these By-Laws and the Counties' Agreement; and (c) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or Board, or authorized for performance by the Treasurer by the Board, these By-Laws, or the Counties' Agreement.

ARTICLE V COMMITTEES

Section 1. Committees of Directors. The Board, by resolution adopted by a majority of the Board members in office, may designate and appoint one or more committees, each consisting of two or more members of the Board, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board in the management of the HCESRPC, subject to the provisions of the Counties' Agreement -- provided, however, that no such committee shall have any authority in reference to: (a) amending, altering or repealing these By-Laws; (b) electing, appointing or removing any member of any such committee or any director or officer of the HCESRPC; (c) authorizing the voluntary dissolution of the HCESRPC or revoking proceedings therefore; (d) adopting a plan for the distribution of the assets of the HCESRPC; or (e) amending, altering or repealing any resolution of the Board. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board, or any individual director, of any responsibility imposed upon the Board by law, these By-Laws, or the Counties' Agreement.

All committees shall comply with: (a) Chapter 551 of the Texas Government Code, the Texas Open Meetings Act; and (b) Chapter 552 of the Texas Government Code, the Texas Public Information Act.

Section 2. Term of Office. Each member of a committee shall continue as such until a successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

Section 3. Vacancies. Vacancies in the membership of committees may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 4. Quorum. Unless otherwise provided by the Counties' Agreement, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 5. Rules. Provided that preliminary consent is first obtained from the Counties, each committee may adopt rules for its own governance consistent with these By-Laws or with rules adopted by the Board.

ARTICLE VI CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. Contracts. Provided that preliminary consent is first obtained from the Counties, the Board may authorize any officer or officers, or agent or agents of the HCESRPC, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the HCESRPC, and such authority must be confined to specific instances.

Section 2. Checks, Drafts, etc. Provided that preliminary consent is first obtained from the Counties, all checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the HCESRPC, shall be signed by such officer or officers, agent or agents of the HCESRPC and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Governing Board, such instruments shall be signed by the Treasurer and countersigned by the President of the HCESRPC.

Section 3. Deposits. All funds of the HCESRPC shall promptly be deposited to the credit of the HCESRPC in the Commission bank account required by the Counties' Agreement to be established and used by the Commission. Any monies received by or from the HCESRPC shall be the property of the HCESRPC and shall be used solely in furtherance of the HCESRPC's purposes as the Board may from time to time determine, subject to preliminary approval first being obtained from the Counties.

Section 4. Gifts and Funds. Subject to preliminary approval first being obtained from the Counties, the Board may accept on behalf of the HCESRPC any contribution, gift, bequest, or devise from a participating governmental unit, or some other source which grants or appropriates funds to the HCESRPC for the costs and expenses required in the performance of its purpose. The HCESRPC may also apply for, contract for, receive, and expend for its purposes a grant or funds from a participating governmental unit or another private source, provided that preliminary approval is first obtained from the Counties.

Section 5. Restrictions. No public funds or other assets or property of any participating governmental entity (city, county, school district, authority, water district, political subdivision, etc.), including materials, employees, equipment, or supplies, may be used by the HCESRPC without the express written consent of the governing body of such entity.

ARTICLE VII MISCELLANEOUS PROVISIONS

Section 1. Notice. Whenever under the provisions of these By-Laws of the HCESRPC or statute, notice is required to be given to a Board member, committee member, or officer, such notice shall be given in writing, by first-class mail to such person at his or her address as it appears on the records of the HCESRPC. Such notice shall be deemed to have been given when deposited in the United States mail. Notice may also be given by facsimile, telephone or other electronic means, and will be deemed given when acknowledged as received by recipient.

Any written notice or document submission required by the Counties' Agreement or these By-Laws to be delivered to the Commission shall be in writing and delivered by the United States Postal Service (by certified mail), or delivered by courier, or delivered by hand-delivery, with proof of delivery in all instances established by a delivery receipt document. The designated Commission contact official and the active Commission business office address regarding said formal notice are as follows:

Hill Country Energy Sub-Regional Planning Commission Attention: President or Other Designated Commission Officer

Rich Paces, President HCESRPC
700 Main Street, Ste 101
Kerrville, TX 78028
Telephone: (830) 343-9107

Section 2. Books and Records. The HCESRPC shall, in accordance with applicable state and local records retention laws: (a) keep and maintain correct, accurate, and complete business records of Commission operations, business activities, and affairs (including without limitation financial records, property records, Commission governance documents, books and records of account, and minutes of all proceedings of the Board and all Commission committees); and (b) keep at the Commission' business office address and place of business described above, a record of the names and addresses of the active and former members of the Board of Directors and officers of the Commission.

Section 3. Open Records. All records kept and maintained by the Commission shall be subject to and kept and maintained in accordance with applicable state and local records retention laws and in compliance with: (a) Chapter 552 of the Texas Government Code, the Texas Public Information Act; and (b) other statutes applicable to a regional planning commission created pursuant to Chapter 391.

Section 4. Definitions. One of the purposes of the HCESRPC is to utilize federal statutes and the Texas Local Government Code, Chapter 391, Regional Planning Commission to structure a process by which the HCESRPC can request and obtain meaningful coordination with necessary federal and state agencies. Therefore, the HCESRPC hereby adopts the following definitions of specific terms and processes:

(a) "Coordinate." Section 391.009(c) of the Texas Local Government Code 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." The statute does not define the term "coordinate," however, the HCESRPC hereby adopts the definition as adjudicated in *Empire Ins. Co. of Texas v. Cooper* 138 S.W. 2d 159 (Court of Civil Appeals of Texas, 1940). The court defined "coordinate" to mean "equal, of the same order, rank, degree or importance; not subordinate." The term "coordination" shall mean the act of coordinating.

(b) "Local Commissions." Two or more cities, counties, or combination of either a city or a county that form a commission under Chapter 391, may demand coordination by state and federal agencies. The HCESRPC may demand coordination with a state or federal agency that develops or plans for future ESS projects or makes any ESS use decisions affecting the region within the HCESRPC.

(c) "Resolve Inconsistencies." It is the intention of the HCESRPC that any differences between a federal or state agency's plans that affect the jurisdiction of the local regional planning commission shall, to the greatest extent feasible, be made consistent with the local government plan as required by respective federal and state statutes. Once formed, the HCESRPC shall provide written notice to the appropriate federal and state agencies of the existence of their local plan.

ARTICLE VIII AMENDMENTS TO BY-LAWS

Section 1. Counties' Approval Required. Once initially approved and adopted by the Board, as

required by the Counties' Agreement, the Commission By-Laws thereafter may be revised or amended by the Board only with the specific prior approval for the proposed revision or amendment first having been obtained from the Counties.

Section 2. Void Revision or Amendment. Any amendment or revision of these By-Laws, without first having obtained the specific prior approval from the Counties regarding any such proposed revision or amendment, shall result in the subject By-Laws revision or amendment being void and unenforceable.

Section 3. Effective By-Laws Date. A properly pursued and predicated revision or amendment of these By-Laws, complete with having first obtained the specific prior approval of the Counties regarding the proposed revision or amendment, shall be effective immediately upon Board adoption unless a later effective date is specifically adopted at the time the amendment is enacted by the Board.

[END OF BY-LAWS]

EXECUTION

EXECUTED, APPROVED, AND ADOPTED this the 14th day of March, 2025.

Signatures of Members of Board of Directors:



President



Secretary



Member

Member

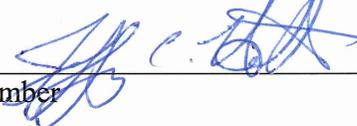
Member



Vice-President



Treasurer



Member

Member

Exhibit "B"

Members of the Hill Country Energy Sub-Regional Planning Commission

As of September 2025, the Directors and Officers of the Hill Country Energy Sub-Regional Planning Commission were as follows:



Rich Paces
Kerr County Commissioner, Precinct 2
rpaces@co.kerr.tx.us
(830) 343-9107
President



Jennifer McCall
Kendall County Commissioner, Precinct 1
jennifer.mccall@co.kendall.tx.us
(830) 443-1399
Vice President



Chad Carpenter
Kendall County Commissioner, Precinct 4
chad.carpenter@co.kendall.tx.us
(830) 431-6261
Treasurer



Linda Bullard
Land Owner Representative
secretary@hcesrpc.com
(830) 890-1113
Secretary



Jeff Holt
Kerr County Commissioner, Precinct 3
jeff.holt@co.kerr.tx.us
(830) 329-7600



Wes Virdell
Texas State Representative, District 53
wes.virdell@house.texas
(512) 463-0536
(Non-Voting Member)

Two additional Board members were added in November, 2025 when Gillespie County joined the commission. They are:



Daniel Jones
Gillespie County Judge
djones@gillespiecounty.org
(830) 997-7502



Keith Kramer
Gillespie County Commissioner, Precinct 2
kkramer@gillespiecounty.org
(830) 997-7503

Exhibit “C”

MEETINGS

The following is a summary of the meetings held by the HCESRPC Board during the fiscal year.

Feb 14, 2025 – Organizational Meeting (Kerr County 2:15 PM)

Attendees: Full board quorum; public present.

Key Actions:

- Adopted bylaws (4-0).
- Elected officers: Paces (President), McCall (VP), Carpenter (Treas) (4-0).
- Recognized county resolutions/appointments.
- Launched HCESRPC.com for transparency (minutes/videos).
- Send coordination notices to PUCT/LCRA (Agency meeting dates offered: Feb 28/Mar 14/21).

Feb 28, 2025 – Regular Board Meeting (Kendall County Courthouse, 2:12 PM)

Attendees: Full board quorum; public.

Key Actions:

- Approval of Feb 14, 2025, minutes (4-0).
- Appointment of Landowner/Secretary (Bullard)(4-0)
- Approved anti-BESS resolution (4-0; Bullard abstained as landowner rep).
- Intelligence briefing: Local BESS threats (East Point, Mountain Home, Harper).
- Send TCEQ letter re: BESS environmental/fire risks (Moss Landing precedent).

Mar 14, 2025 – Regular Board Meeting (Kerr County Courthouse 2:03 PM)

Attendees: Full board; public.

Key Actions:

- Approval of Feb 28, 2025, minutes (5-0).
- Reviewed bylaws/ILA amendments (effective Feb 11).
- Legislative update: 16+ BESS bills tracked (HB 1343 permitting, HB 1378 500’ distance).
- Motion: Approve amendments (unanimous).
- Follow-ups: PUCT (Mike Hoke), LCRA (Hondo Powell; disputed 391 applicability), TCEQ (Kelly Cook).

Mar 26, 2025-Regular Board Meeting (Kendall County Courthouse 10:02 AM)

Attendees: Full board; public.

Key Actions:

- Approval of Mar 14, 2025, minutes (5-0)
 - Discussed SREC Energy Symposium
 - Potential AI Data Center Comfort, Potential BESS in Kerr County
 - Second letters to go to PUCT, LCRA, ERCOT and TCEQ
 - Legislative Bills and discussion of Focus Tool
- Outcomes:** LCRA will schedule meeting.
-

**Apr 16, 2025-Planning Coordination Meeting with TCEQ
(Kerr County Courthouse 10:00 AM)**

Attendees: Full board; public

Key Actions:

TCEQ Attendees: Kelly Cook (Deputy Dir, Critical Infrastructure), Craig Pritzlaff (Dir, Compliance/Enforcement), George Ortiz (Regional Dir), Amancio Gutierrez, Phillip Ledbetter (Legal), Joel Anderson.

Commission Concerns Raised:

- No BESS permitting process; need legislative protection.
- County authority gaps
- Rural fire dept. inadequacy
- Contamination of water and soil
- BESS lack of specific design and emergency plan
- HCR 121 (Edwards Aquifer protection)
- Cyber vulnerabilities

TCEQ Responses & Commitments:

- No specific BESS worst-case plan; lead on hazmat emergencies (Annex 10); post-remediation support/cost recovery.
 - Storm water permits during construction; supports grid/environment/communities.
 - **Committed Info:** Rule-making petition process; BESS/hazmat lists; NTIG grant details; BESS definition/hearings
 - **Authorities:** Can petition rulemaking, sue non-compliant corps, require bonds.
Public Input (11 speakers): Strong BESS opposition. Requests: TCEQ lobby Gov/Patrick for authority; halt NTIG grants. Issues: Insurance loss, NFPA 855 gaps, prevention, cleanup. Alternatives: Nuclear/natural gas.
 - **Milestones:** Landmark TCEQ coordination (6 reps); detailed commitments extracted; public turnout high.
 - **Risks:** BESS fire/toxicity/cyber threats; regulatory gaps; drought/water strain; NTIG subsidies.
 - **Outcomes:** Follow-up on 10 TCEQ info requests; legislative advocacy (HCR 121, HB 3824); site plan reviews.
-

May 20, 2025-Regular Board Meeting (Kerr County Courthouse 2:00 PM)

Attendees: 4 board members, Rep. Wes Virdell, public, McCall not in attendance.

Key Actions:

- Approval of May 6, 2025, minutes (4-0)
 - Discussion with Gillespie County to join HCESRPC.
 - East Point interconnection approved with ERCOT in Kendall County.
 - PUCT 4th letter; LCRA 3rd letter; TCEQ no response to questions.
 - Legislative update HB 3824.
 - Bandera solar project future consideration.
 - Gillespie County participation vote.
 - **Outcome:** TCEQ follow up; AG Legal Obligations; Expert testimony; Public information.
-

Jun 3, 2025 –Regular Board Meeting (Kendall County Courthouse 2:00 PM)

Attendees: Full board, public.

Key Actions:

- Approval of May 20, 2025, minutes.
 - McCall/Nancy White ERCOT meeting.
 - Holt letter to PUCT/ERCOT.
 - McCall FOIA request to LCRA.
 - HCESRPC legal services.
 - Experts for coordination.
 - Legislation adopted HB 3809 facility removal; HB 3824 fire safety standards; SB 75 resilience of grid.
 - Town Hall discussion.
 - **Outcome:** PUCT, ERCOT, LCRA follow up.
-

Sep 3, 2025 – Regular Board Meeting (Kerr County Courthouse 10:00 AM)

Attendees: Full board, public.

Key Actions:

- Approve June 3, 2025, minutes.
- Motion: Approve Gillespie County joining (ILA/bylaws amendments; 5-0).
- Send 4th LCRA letter.
- Soil/Water Conservation anti-BESS resolution support.
- EPA subsidy opposition letters.
- TCEQ response.
- Pressure federal reps to support HCESRPC.
- Role of 391 in SB150 Cyber Command.
- PUCT rulemaking.
- **Outcome:** HCESRPC on PUCT meeting agenda

Exhibit "D"

Summary Statement of Productivity and Performance

Sec. 391.0095 (4) of the Local Government Code, Chapter 391, requires a report of the sub-regional planning commission's productivity and performance during the annual reporting period. For the fiscal first year of operation, the Hill Country Energy Sub-Regional Planning Commission was formed as a means by which local government would have meaningful coordination with state agencies as provided in 391.009(c), which reads: "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."

Originally, the commission was formed between Kerr and Kendall Counties in February, 2025. Gillespie County joined the commission in November, 2025. Since its inception the Commission has held seven (7) regular meetings with one (1) "coordination" meeting through September of 2025. The commission initially had 4 board members who are elected officials representing both Kerr and Kendall Counties and 1 (one) non-elected Landowner Representative appointed by Kerr County. All of these members have voting privileges. There is one elected official, State Representative Wes Virdell, who is a member of the board with non-voting privileges. The officers are nominated and elected each year. All volunteer their time and their talents to perform research, write reports, record and transcribe minutes, and provide meaningful input during all commission meetings. The bylaws of the commission do not allow any federal or state government grants to be accepted, therefore, there has been no government assistance of any form.

The commission has been extremely active and held multiple public meetings to inform the general citizenry and coordinate local planning and concerns with state regulatory agencies. Through research and fact gathering meetings, the commission is educating the public and government officials about the hazards associated with Battery Energy Storage Systems (BESS) and the safety precautions that must be taken in an effort to protect individual tax paying citizens, local businesses, and the general economy for which they have been elected to represent.

The Commission has actively sought information from state agencies as to their plans and programs that may have an effect on the economies of Kerr and Kendall counties and they have consistently defended the rights of the individual citizens within their jurisdiction to protect the private property, local tax base, local businesses, and community as a whole from detrimental state and federal plans and programs. The commission holds their meetings on a schedule that is dictated by their need and the availability of state agencies to meet.

Their scheduled meetings are generally held in either the Kerr County courthouse or the Kendall County courthouse on a rotational basis (and now including the Gillespie County courthouse). The meetings are open to the public and the public is welcome and encouraged to participate. Only one meeting was held with a state agency, TCEQ, to coordinate planning in regard to BESS. This meeting was held on April 16, 2025 in the Kerr County courthouse. In summary, TCEQ was unaware of the significant risks and hazards associated with BESS. Numerous questions were raised and TCEQ responded with answers via their email dated October 1, 2025. However, rather taking action to better regulate BESS and prevent or greatly reduce the risk of a thermal runaway fire, TCEQ is more focused on how they would respond to such an event.

Summary of Correspondence with State Agencies who have Refused to “Coordinate Planning”

LCRA Correspondence

Starting with our initial notification sent to LCRA on February 14, 2025, four notices were sent calling for a coordination planning meeting with our commission. Disappointingly, only one letter dated March 5, 2025 and one email dated May 8, 2025 were received. The following are key excerpts from that correspondence:

LCRA: “required by state law to provide transmission service to generation resources seeking interconnection....on a nondiscriminatory basis”. “LCRA has no discretion to choose which projects it will interconnect to the grid.”

LCRA: “LCRA is a political subdivision of the state and is not a state agency subject to Chapter 391.009 of the Local Government Code.”

HCESRPC: “Please advise us which state law requires LCRA to provide transmission service to “generation resources” seeking interconnection and which state law defines a BESS as a generation resource. A BESS clearly does not generate electricity.” *Note that no response was received from LCRA.*

HCESRPC: “LCRA is indeed a state governmental agency subject to Chapter 391 of the Local Government Code based on its creation by the Texas legislature and the definition clearly 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.”

ERCOT Correspondence

On March 19, 2025 a letter was sent to ERCOT calling for ERCOT to attend a coordination planning meeting with our commission. ERCOT responded on April 22nd stating the following:

“...ERCOT manages a generation interconnection process, which includes studies and testing, to confirm that new generation projects will not disrupt the reliable performance of the electric grid...”

“ERCOT is not a state agency subject to Section 391.009 of the Texas Local Government Code.”

Further research indicated that ERCOT is a membership-based 501(c)(4) nonprofit corporation, governed by a board of directors and subject to oversight by the Public Utility Commission of Texas and the Texas Legislature (per their website). No further requests were made for a coordination meeting with ERCOT, although several members of the commission had telephone conversations with ERCOT’s Assistant General Counsel.

PUCT Correspondence

Starting with our initial notification sent to PUCT on February 14, 2025, four notices were sent calling for a coordination planning meeting with our commission. PUCT responded with one letter dated March 31, 2025 and one email dated May 8, 2025. The following are key excerpts from the correspondence between our commission and PUCT:

PUCT: “PUCT does not have the ability to affect the location or type of electric generation, including batteries. In the ERCOT region, power generation is largely deregulated. Companies do not need permission from PUCT. The type and location of electric generation is made by developers and investors of each project... A power generator must secure an interconnection agreement from the local electric distribution utility and ERCOT...the interconnection agreement does not dictate the location or type of electric generation.”

PUCT: “Participation in these 391 Commissions is dependent on the jurisdiction of the state agencies involved. In the situation relating to battery projects, we are not aware of any existing state programs related to battery storage facilities that involved PUCT administration. We are unable to participate as requested.”

HCESRPC: “You must be aware that ERCOT, who is subject to oversight by the PUCT, is planning for the addition of 15.8 MW of battery energy storage capacity by 2029 as shown in ERCOT’s recent publication entitled “Advancing Reliability 2024 State of the Grid” in the graph on page 6 titled “By the Numbers”. The footnote states that “*2029 accounts for forecasted planned projects expected to be in-service between 2025 to 2029”...

HCESRPC: “Further, according to your letter dated March 31, 2025, a company that wants to sell power in the wholesale market must register with the PUCT as a power generation company, including contact information and corporate ownership structure. Hence your statement that “in this situation relating to battery projects, we are not aware of any existing state programs

related to battery storage facilities that involve PUCT administration” does not appear accurate.”

HCESRPC: “If you are not aware of ERCOT’s plans and/or programs considering battery storage facilities, you absolutely should be in your oversight role.” “The state may not be the entity actually developing or installing the BESS facilities, but PUCT in its oversight role is clearly involved in the development of a plan for future generation capacity and the mix of supply thereof and it is clearly involved in the registration of all companies that want to sell power in the wholesale market.”

A letter was sent to President Donald J Trump dated May 16, 2025. This letter thanked the President for pulling the U.S. out of the Paris Agreement, for declaring a “national energy emergency” and urging oil and gas expansion, for directing all federal agencies to immediately pause the disbursement of funds appropriated through the Inflation Reduction Act of 2022 or the Infrastructure Investment and Jobs Act and for rescinding \$4B in US pledges for UN climate fund. It also urged the President to go a step further to instruct the executive branch of the federal government to stop all subsidies, grants and loans associated with so called “green” or renewable energy projects. Not only will this save US taxpayers billions of dollars, but more importantly it will help remove the energy market distortions that have been created.

A letter was sent to EPA Administrator, Lee Zeldin on Sept. 3, 2025. This letter encouraged the EPA to rescind the 2009 “endangerment finding” that falsely claimed that CO2 endangers public health and welfare. This false “finding” was the basis for a host of burdensome EPA regulations that threaten our economy and our way of life. We also asked the Administrator to rescind and eliminate all federal subsidies, grants and loans for so called “green” energy consisting of wind, solar and Battery Energy Storage System projects. The disbursement of any federal funds made available for these “green” projects through the Inflation Reduction Act of 2022 or the Infrastructure Investment and Jobs Act should be immediately paused and rescinded.

Copies of all correspondence between the commission and the above mentioned agencies are available on the commission’s website at www.HCESRPC.com under the Correspondence Page in chronological order.

EXHIBIT "E"

PROJECTION OF COMMISSION PRODUCTIVITY AND PERFORMANCE DURING NEXT REPORTING PERIOD

The purposes for which the HCESRPC is organized are to perform activities within the meaning of the Texas Local Government Code, Chapter 391, Regional Planning Commission. The authority of the Board shall include, but is not limited to, authorizing representatives of the HCESRPC to (i) coordinate planning and development efforts relating to BESS affecting the respective jurisdictions and residents of the sub-region, (ii) study, research, and plan for the rapidly expanding population of the sub-region, including the transportation needs and issues of the sub-region, (iii) protect and preserve the health, safety, general welfare, rural values, economic well-being, unique character, and stability of their residents and sub-region, (iv) guide and plan for future development of communities and affected areas within the sub-region as it pertains to all transportation, agriculture, business, and industry needs while providing healthful surroundings for family life in residential areas, preserving historical and cultural values, (v) coordinate above planning efforts with all necessary federal agencies as provided by federal statutes and state agencies according to the Local Government Code, (vi) initiate, participate in and, or fund litigation against any federal or state agency that will not comply with the purposes of the HCESRPC, and (vii) solicit funds to support and further the purposes of the HCESRPC, if necessary.

As we have found that LCRA and PUCT are unwilling to meet with our commission, the commission plans to take our message to the boards of these agencies. We plan to do this in October and November.

We have become aware that there is minimal effort being undertaken by the state agencies to ensure our Texas electricity grid is protected from all cybersecurity threats. In fact, over 700 attestations from BESS developers are missing. These attestations require the developer to attest to the fact that they have not Purchased Critical Electric Grid Equipment (CEGE) and Critical Electric Grid Services (CEGS) from a Lone Star Infrastructure Protection Act (LSIPA) Designated Company or LSIPA Designated Country and that their equipment will NOT result in access to or control of CEGE by an LSIPA Designated Company or LSIPA Designated Country. We understand that ERCOT, on behalf of PUCT, is responsible for ensuring that the attestations are submitted and for verifying that they are fully compliant. It is a grave concern that BESS are being connected to our CEGE without a fully compliant and vetted attestation.

In the next fiscal year, the commission will focus on cybersecurity concerns and on developing legislation to better regulate BESS.

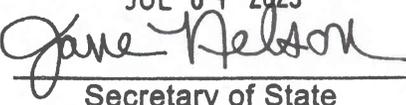


GOVERNOR GREG ABBOTT

July 4, 2025

The Honorable Jane Nelson
Secretary of State
State Capitol, Room 1E.8
Austin, Texas 78701

FILED IN THE OFFICE OF THE
TEXAS SECRETARY OF STATE
9:22 PM O'CLOCK

JUL 04 2025

Secretary of State

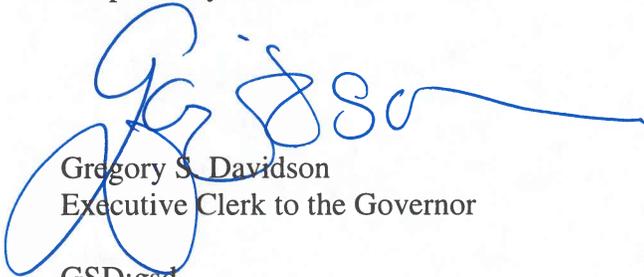
Dear Secretary Nelson:

Pursuant to his powers as Governor of the State of Texas, Greg Abbott has issued the following:

A proclamation certifying that the heavy rainfall and flooding event that began on July 2, 2025, and that included heavy rainfall and flash flooding, is causing widespread and severe property damage, injury, or loss of life in Bandera, Coke, Comal, Concho, Gillespie, Kendall, Kerr, Kimble, Llano, Mason, McCulloch, Menard, Reeves, San Saba, and Tom Green counties; and declaring a disaster.

The original proclamation is attached to this letter of transmittal.

Respectfully submitted,

A large, stylized blue ink signature of Gregory S. Davidson.

Gregory S. Davidson
Executive Clerk to the Governor

GSD:gsd

Attachment

PROCLAMATION

BY THE

Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

WHEREAS, I, GREG ABBOTT, Governor of the State of Texas, do hereby certify that the heavy rainfall and flooding event that began on July 2, 2025, and that included heavy rainfall and flash flooding, is causing widespread and severe property damage, injury, or loss of life in Bandera, Coke, Comal, Concho, Gillespie, Kendall, Kerr, Kimble, Llano, Mason, McCulloch, Menard, Reeves, San Saba, and Tom Green counties;

NOW, THEREFORE, in accordance with the authority vested in me by Section 418.014 of the Texas Government Code, I do hereby declare a state of disaster in the previously listed counties.

Pursuant to Section 418.017 of the Texas Government Code, I authorize the use of all available resources of state government and of political subdivisions that are reasonably necessary to cope with this disaster.

Pursuant to Section 418.016 of the Texas Government Code, any regulatory statute prescribing the procedures for conduct of state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with this disaster shall be suspended upon written approval of the Office of the Governor. However, to the extent that the enforcement of any state statute or administrative rule regarding contracting or procurement would impede any state agency's emergency response that is necessary to protect life or property threatened by this declared disaster, I hereby authorize the suspension of such statutes and rules for the duration of this declared disaster.

In accordance with the statutory requirements, copies of this proclamation shall be filed with the applicable authorities.

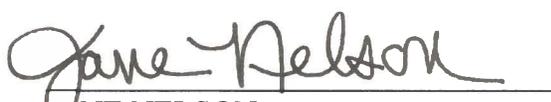


IN TESTIMONY WHEREOF, I have hereunto signed my name and have officially caused the Seal of State to be affixed at my office in the City of Austin, Texas, this the 4th day of July, 2025.



GREG ABBOTT
Governor

ATTESTED BY:



JANE NELSON
Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
9:22pm O'CLOCK

JUL 04 2025