



Fiscal Year 2024 Business and Capital Plans

Lower Colorado River Authority

LCRA Board of Directors

Timothy Timmerman, chair
Stephen F. Cooper, vice chair
Joseph M. “Joe” Crane, secretary
Michael L. “Mike” Allen
Matthew L. “Matt” Arthur
Melissa K. Blanding
Laura D. Figueroa
Carol Freeman
Raymond A. “Ray” Gill Jr.
Thomas L. “Tom” Kelley
Robert “Bobby” Lewis
Thomas Michael Martine
Margaret D. “Meg” Voelter
Martha Leigh M. Whitten
Nancy Eckert Yeary

The Board of Directors is composed of 15 members appointed to six-year terms by the governor with the advice and consent of the Texas Senate. Directors represent counties in LCRA’s electric and water service areas. The Board meets regularly to set strategic corporate direction for the general manager and staff, to approve projects and large expenditures, and to review progress on major activities and issues.

Officers

Phil Wilson, general manager and chief executive officer
James D. Travis, chief financial officer
Leigh Sebastian, general counsel
Gerry Garcia, general auditor
John B. Hofmann, executive vice president of Water
Thomas E. Oney, chief people officer and EVP of External Affairs
Ken Price, chief operating officer
Kristen Senechal, EVP and chief operating officer of Transmission
Khalil Shalabi, EVP for Strategic Initiatives and Transformation
Randa Stephenson, chief commercial officer

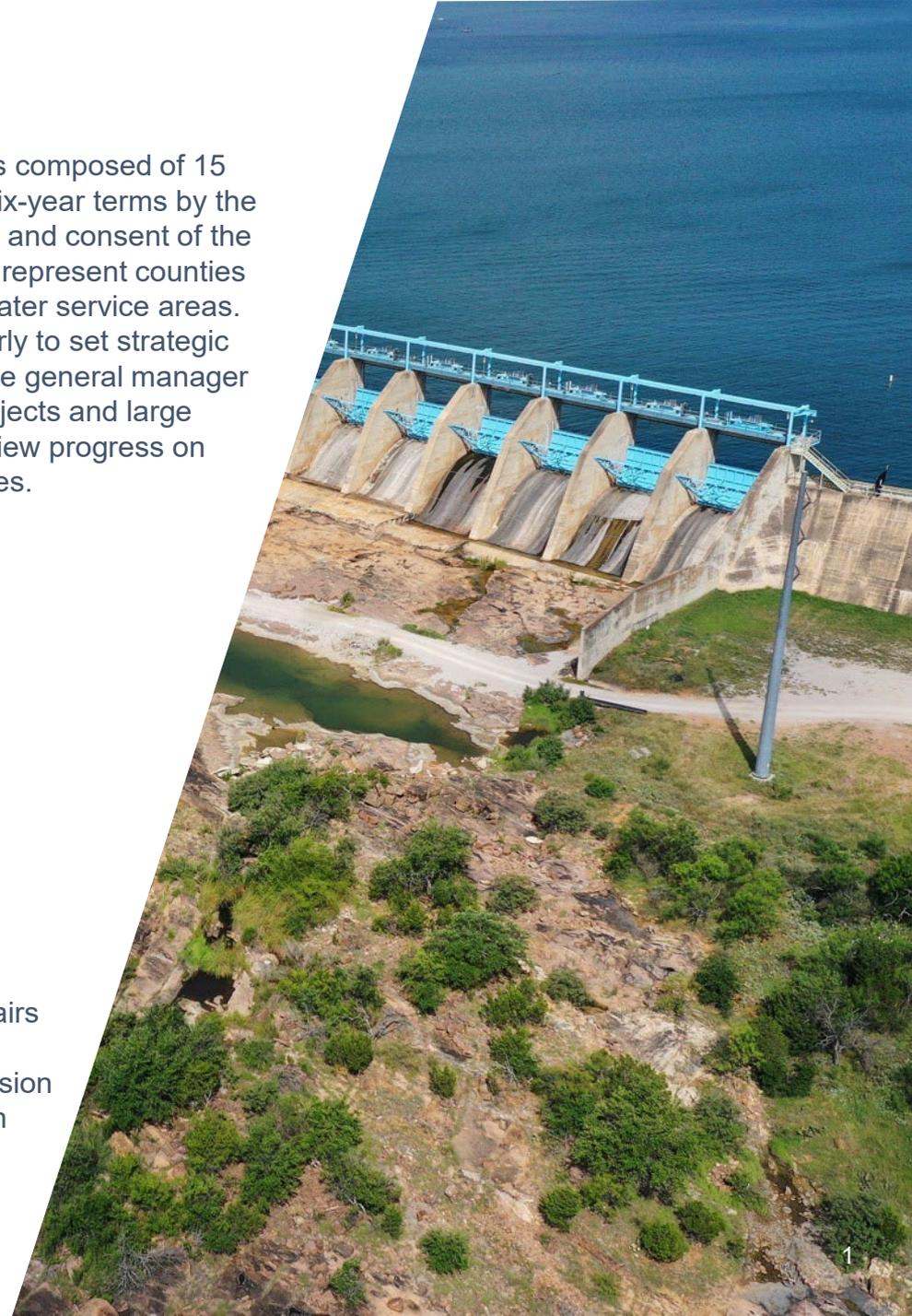


Table of Contents

LCRA’s Mission and Vision	4
Investing in Texas.....	6
LCRA Financial Summary.....	9
Wholesale Power.....	11
LCRA Transmission Services Corporation.....	12
Water.....	15
Public Service Fund.....	19
Strategic Services.....	20
Enterprise Support.....	21
Capital Plan.....	22
Appendix	51

These business and capital plans present a long-term vision and summary of operational plans for LCRA and its nonprofit corporations. The business and capital plans should not be used as a basis for making a financial decision with regard to LCRA or any of its securities or other obligations. These business and capital plans are intended to satisfy the official intent requirements set forth in IRS Treasury Regulations Section 1.150-2. For more complete information on LCRA and its obligations, refer to LCRA's annual financial report, the official statements relating to LCRA's bonds, and the annual and material event disclosures filed by LCRA with nationally recognized municipal securities information repositories and the State Information Depository pursuant to Rule 15c2-12 of the U.S. Securities and Exchange Commission. The information in this report and within each of the documents referenced applies only as of the report's date. The business and capital plans include forecasts based on current assumptions used for planning purposes only and are subject to change. Copies of the documents referenced in this report may be obtained from Stephen Kellicker, senior vice president of Finance, LCRA, 3700 Lake Austin Blvd., Austin, TX 78703.



OUR *Mission*

To enhance the quality of life of the Texans we serve through water stewardship, energy and community service.



OUR *Vision*

We will be the public utility
that sets the standard for excellence.

Investing in Texas

The Lower Colorado River Authority has deep roots in Texas, and we're investing in Texas' future by helping to build the water, power and communications infrastructure critical for our state's continued success.

We plan to invest about \$159 million over the next five years in the development of new water supply projects as we continue to explore a variety of strategies for increasing water supplies in the lower Colorado River basin. That is in addition to the investments LCRA continues to make in capital projects at the dams along the Highland Lakes and Lake Bastrop. LCRA plans to invest about \$38 million in dam rehabilitation projects (excluding projects strictly for hydroelectric power facilities) over the next five years for the continued safe and effective operation of the dams.

LCRA also is investing in power generation and transmission infrastructure to help support the Texas electric grid. We are building a new natural gas-fired peaker plant that will provide about 190 megawatts of quickly dispatchable energy to meet peak power demands. The peaker plant further positions LCRA as a strategic leader in power generation and an entity committed to supporting the growth of Texas and the communities we serve. LCRA also is investing in transmission infrastructure needed to bring power to communities across the state. We expect to invest about \$3 billion over the next five years in transmission projects to increase reliability and support growth.

In addition, LCRA is helping to connect Texans to broadband services that are critically needed, assisting with economic development by providing services that are essential to the health and success of communities LCRA serves.

LCRA has made tremendous strides for the people of our state since the Texas Legislature created us in 1934, and we will continue investing for Texans as outlined in these business and capital plans. Our investments support our vision, goals and values – all of which are aligned with the mission that keeps us focused on serving Texans in everything we do.

Our mission

To enhance the quality of life of the Texans we serve through water stewardship, energy and community service.

Our vision

We will be the public utility that sets the standard for excellence.

Our strategic goals

- **Run an effective, cost-aware business.**
- **Manage and develop water.**
- **Implement digital tools and use data effectively.**
- **Build today's workforce for the future.**

Our values

- **Focus on safety.**
- **Operate with integrity.**
- **Show respect.**
- **Take initiative.**
- **Focus on service.**



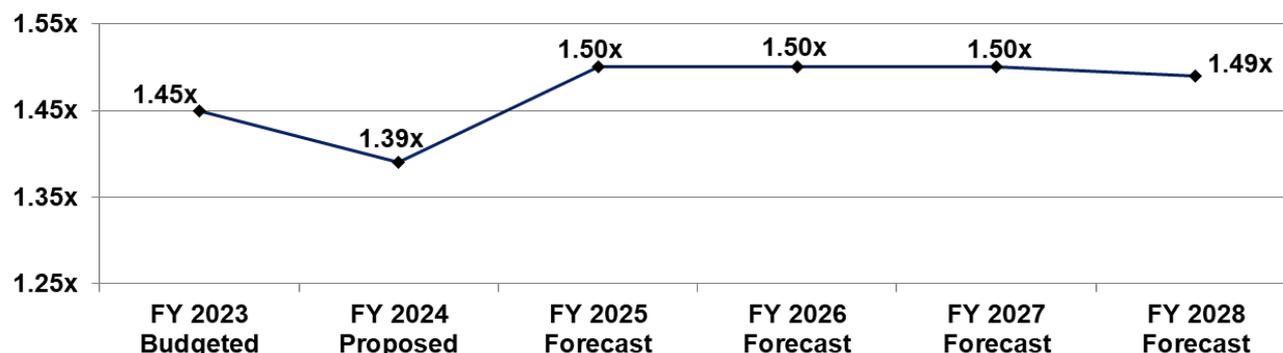


TOGETHER.

LCRA Financial Summary

- Approval of this business plan authorizes LCRA to spend \$564.6 million for operations in fiscal year 2024.
- Debt service coverage, a widely used measure of financial performance, is forecast to be 1.39x in FY 2024.
- Debt service coverage is projected to remain between 1.39x and 1.50x over the five-year planning horizon.
- Stable debt service coverage reflects LCRA's commitment to manage costs and grow LCRA's business to support growth in Texas.

LCRA Debt Service Coverage



(Dollars in millions)

	Budgeted	Proposed	Forecast			
			FY 2023	FY 2024	FY 2025	FY 2026
Revenues ¹	\$ 1,139.3	1,426.3	1,578.6	1,694.0	1,730.6	1,782.8
Expenses ¹	658.8	878.9	901.9	929.5	927.6	947.9
Net Operating Margin	480.5	547.4	676.6	764.5	803.0	834.9
Less: GenTex Funds ²	(8.7)	(8.1)	(3.4)	(7.5)	(1.3)	(0.1)
Net Margin for Debt Service, Adjusted	471.8	539.3	673.3	757.0	801.7	834.8
Debt Service	\$ 326.0	389.0	448.4	505.3	534.5	561.8
Debt Service Coverage	1.45x	1.39x	1.50x	1.50x	1.50x	1.49x

Note: Totals throughout this document may not equal the sum of numbers shown due to rounding.

¹ Revenues and expenses are net of intracompany transfers. Revenues include interest income. Expenses exclude the LCRA Transmission Services Corporation capital charge, which is a capital expense for LCRA consolidated.

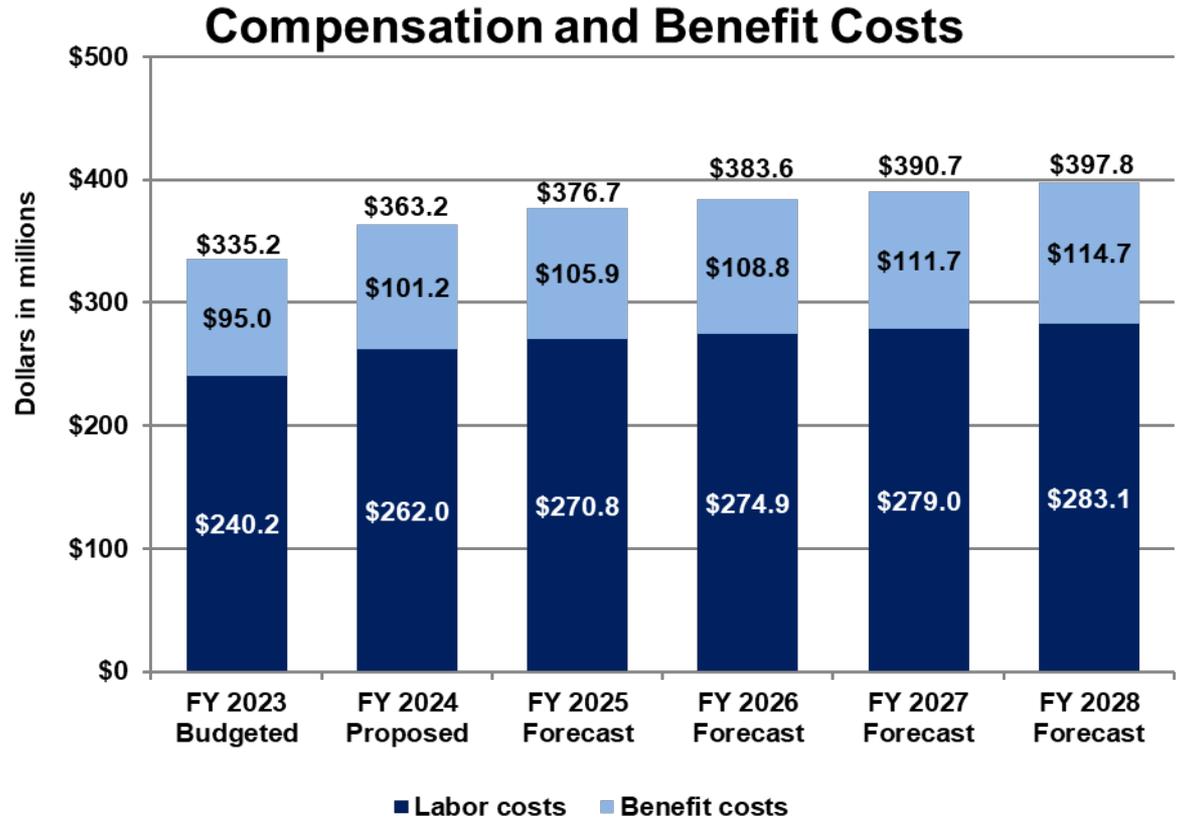
² Includes adjustments related to GenTex Power Corporation capital funding and reserve funding.

Compensation and Benefits

Compensation and benefits are key drivers of LCRA's budget.

- Budgeted positions for FY 2024 are 2,373¹, which is an increase of 56 positions (2%) from the FY 2023 budget.
 - These new positions are to support LCRA business areas as they meet sustained growth in Texas.
 - Almost half of the new positions will support the expanding Transmission business, while the rest will support all other areas of LCRA.
- FY 2024 compensation and benefit costs will increase by \$28 million, reflecting:
 - Position increases discussed above.
 - Base pay increases planned in FY 2024.
 - Maintaining competitive pay in key areas.

¹ Excludes seasonal workers.



- 1.5% base pay increases are planned in FY 2025 through FY 2028.
- LCRA continues to manage benefit costs, which range from 39.5% to 41.5% of labor costs for the next five years.

Wholesale Power – Financial Summary

Wholesale Power shows continued financial strength.

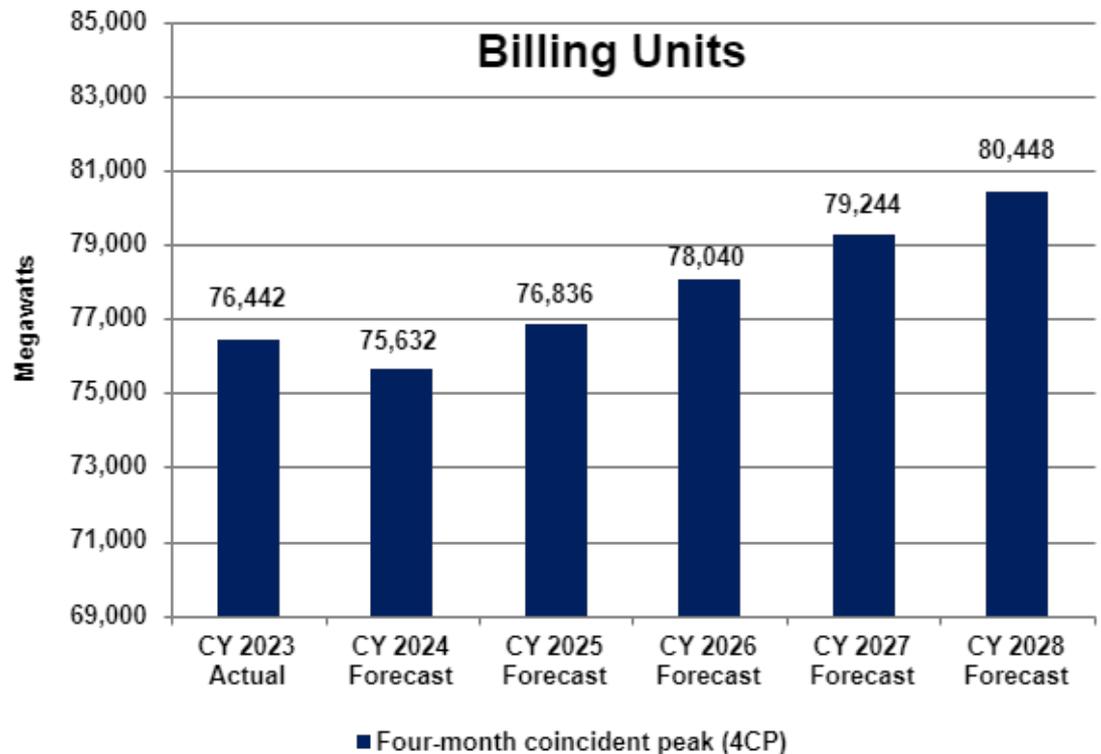
- Debt service coverage is projected to range between 1.31x and 1.42x over the five-year planning horizon.
- Financials remain strong and support our strategic goal to run an effective, cost-aware business.

Confidential competitive electric information has been removed from this version of the document.

LCRA Transmission Services Corporation – Billing Units

LCRA TSC’s billing unit is the four-month coincident peak in the Electric Reliability Council of Texas market.

- 4CP is the average of the peak ERCOT electrical demands (measured in kilowatts) during the months of June, July, August and September of the previous calendar year.
- The Public Utility Commission of Texas approves the average of these four ERCOT system peaks each year to establish a 4CP for the following calendar year.
- 4CP is forecast to grow about 1.6% per year across ERCOT.



Note: One megawatt equals 1,000 kilowatts.

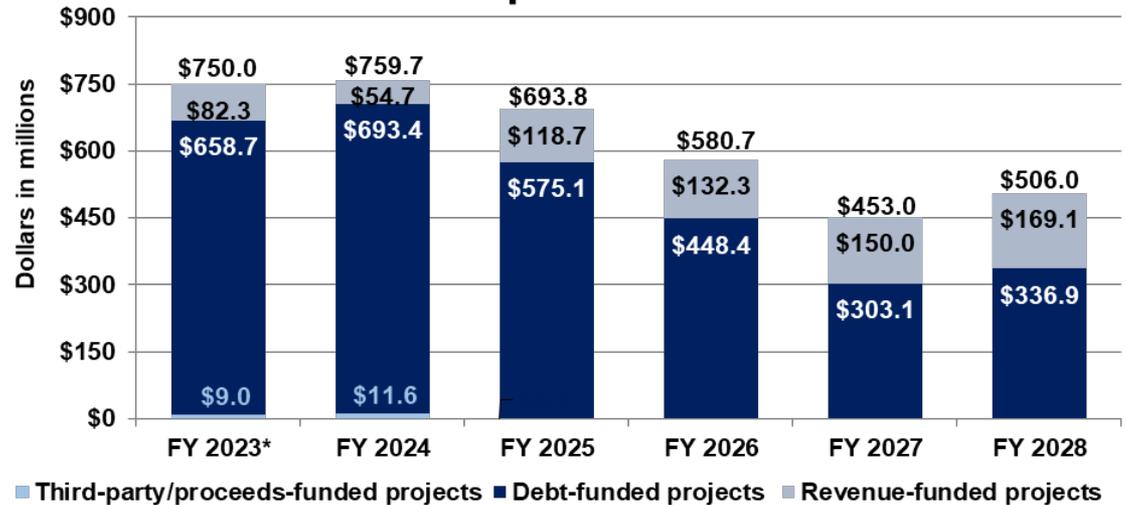
LCRA TSC – Capital and Rates

We're growing the transmission system to meet customer needs:

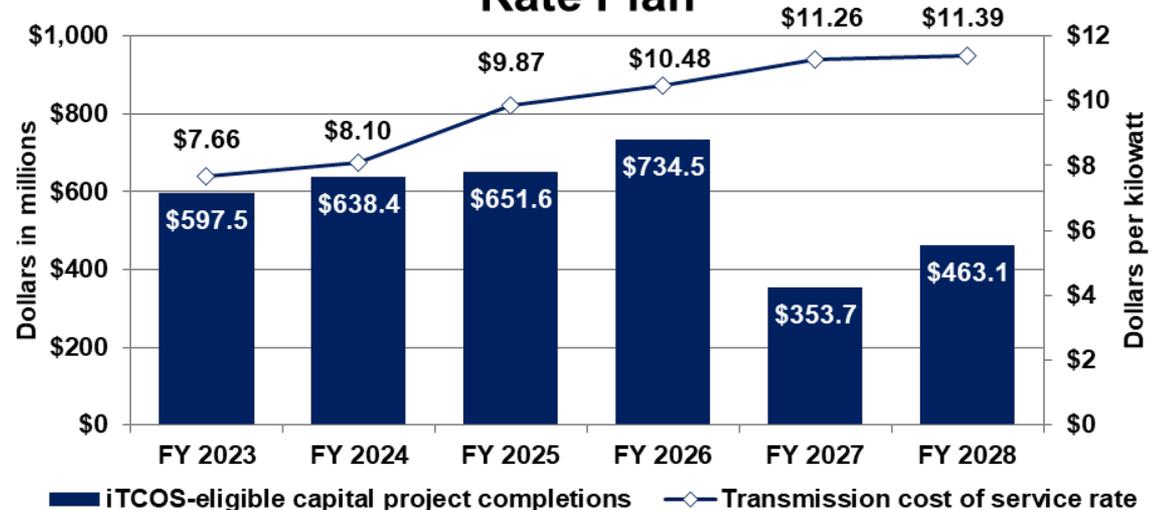
- LCRA TSC plans to invest about \$3 billion on capital projects over the five-year planning period to support the needs of the ERCOT and LCRA TSC systems.
- LCRA TSC plans to recover its investment in capital costs for projects that are completed and energized through interim transmission cost of service filings in fiscal year 2024 through FY 2028. Additionally, LCRA TSC plans to file a TCOS rate case using an FY 2023 test year with new rates going into effect in FY 2025.
- LCRA TSC will continue to recover costs associated with additional projects beyond FY 2025 after they are completed and energized.

*The LCRA TSC Board of Directors in March 2023 approved the amended capital plan spending limit for LCRA TSC.

Capital Plan



Rate Plan



iTCOS: interim transmission cost of service

LCRA TSC – Financial Summary

- LCRA continues to expand the Transmission organization, adding staff and equipment needed to increase its current capacity to operate and construct facilities for LCRA TSC and provide customer services.

(Dollars in millions)

		Budgeted	Proposed	Forecast			
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$	565.1	622.5	749.5	823.0	893.2	932.6
Operations and Maintenance		143.1	156.4	156.5	168.2	179.5	187.5
Net Operating Margin		422.0	466.1	593.0	654.8	713.7	745.0
Plus: Interest Income		0.8	7.0	5.6	5.6	5.9	4.3
Less: Assigned Enterprise Expense		64.4	65.3	66.8	76.9	89.2	90.0
Public Service Fund		17.0	18.7	22.5	24.7	26.8	28.0
Resource Development Fund		11.3	12.4	15.0	16.5	17.9	18.7
Net Margin Available for Debt Service		330.2	376.7	494.4	542.4	585.7	612.7
Debt Service	\$	242.7	290.6	343.1	378.6	407.3	430.5
Debt Service Coverage		1.36x	1.30x	1.44x	1.43x	1.44x	1.42x

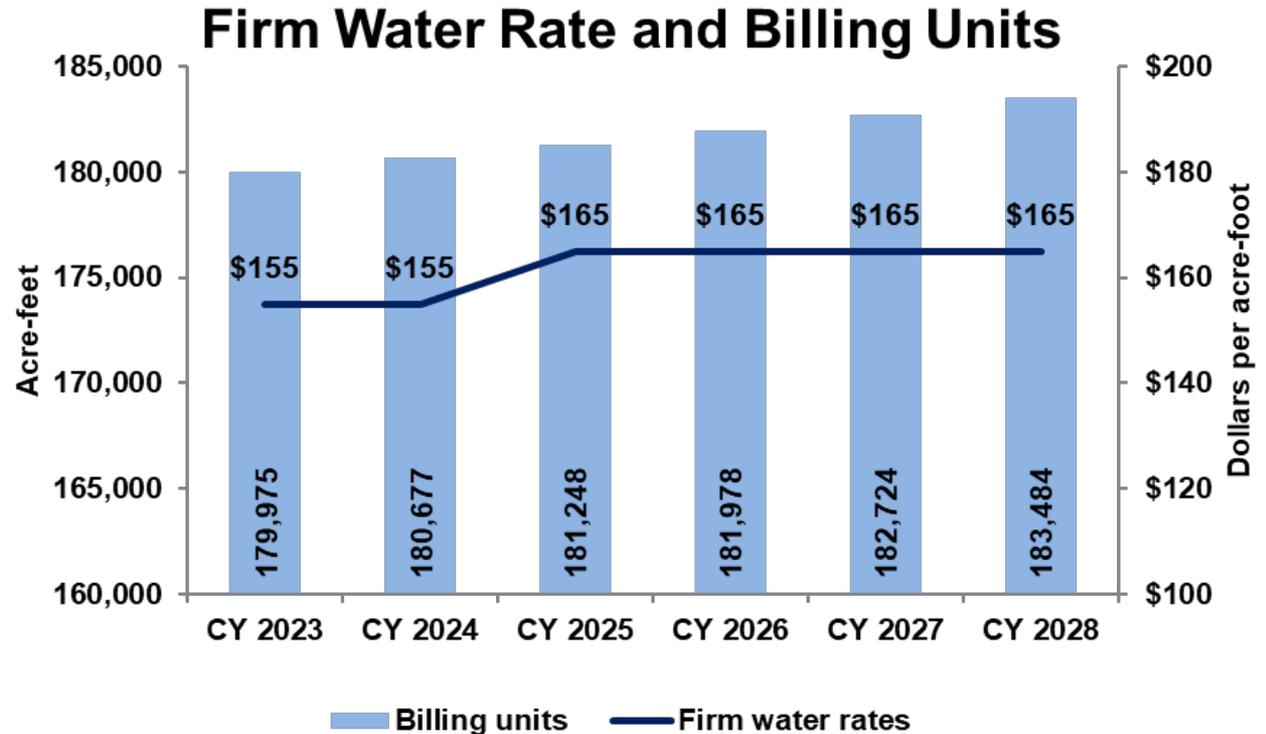
- LCRA TSC plans to manage costs to maintain its debt service coverage ratios between 1.30x and 1.44x.

Water – Firm Billing Units and Rates

LCRA projects holding the current firm water rate of \$155 per acre-foot flat.

We are managing costs with no planned firm water rate increase until calendar year 2025.

- Billing units are forecast to rise by less than 1% in each calendar year of the five-year planning period.
- The current firm water rate of \$155 per acre-foot is projected to remain flat until the January 2025 billing period.
- All rates for 2024 and beyond are subject to change based on actual and projected costs and billing units.



Note: Water supplies managed by LCRA are divided into firm and interruptible water. Firm water is available even during a severe drought. During drought or times of shortage, interruptible water is cut back or cut off.

Water – Interruptible Rates

Full cost recovery assumes a gradual approach.

- Gulf Coast and Lakeside agricultural divisions are cut off for water deliveries in calendar year 2023. Full water availability is assumed to resume in CY 2024.
- Rates for Gulf Coast and Lakeside are projected to increase to gradually recover the divisions' costs, including river management costs, assuming full water availability. The Garwood Division is not subject to river management costs.
- The rates for Gulf Coast and Lakeside for 2024 through 2028 reflect an annual contribution from the Agriculture Reserve Fund. The fund is projected to be essentially depleted by the end of CY 2028. The rate impact of the contributions are reflected in the delivery component of the rate.

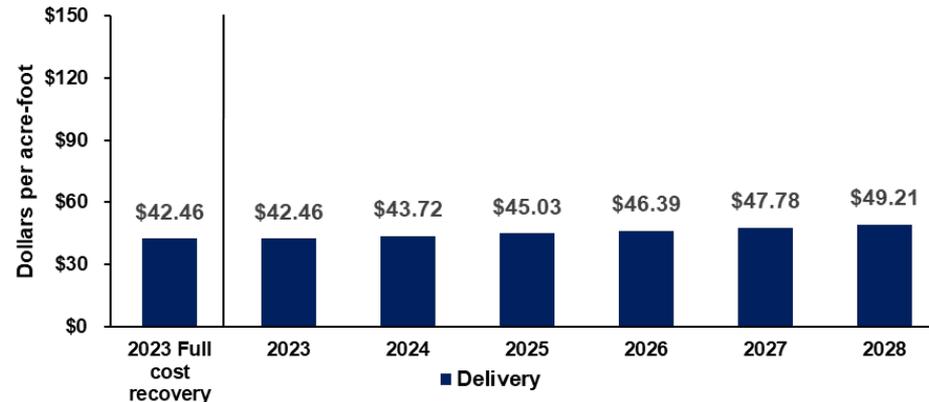
Gulf Coast Rate Outlook



Lakeside Rate Outlook



Garwood Rate Outlook



Water – Capital

Dam rehabilitation projects:

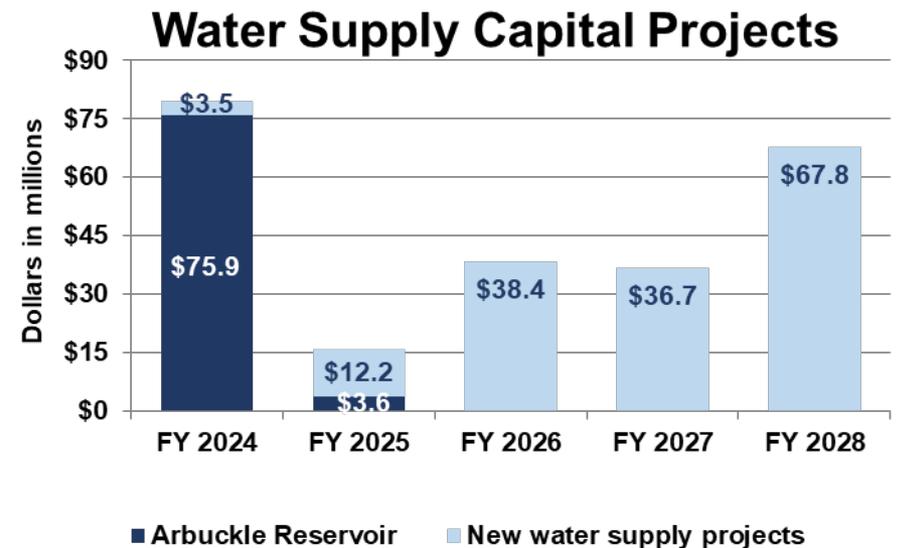
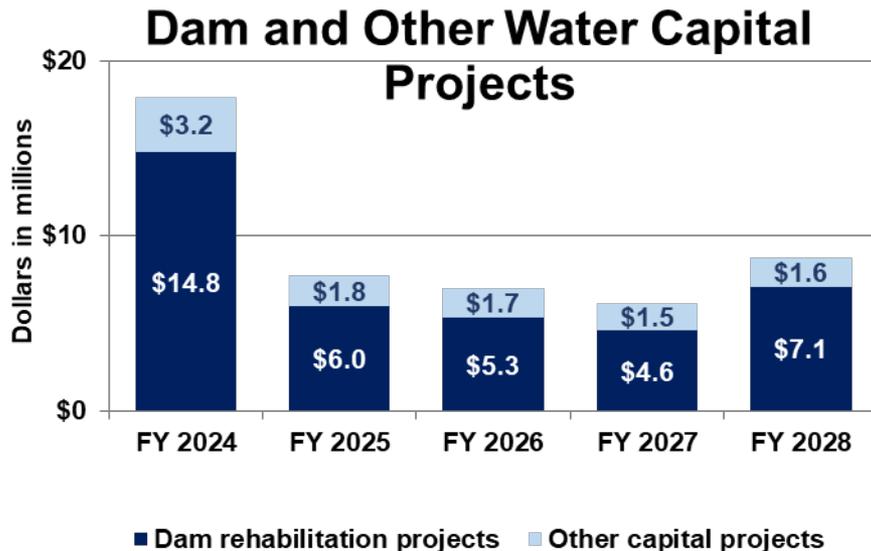
- LCRA plans to invest about \$38 million in dam rehabilitation projects (excluding projects strictly for hydroelectric power facilities) over the next five years for the continued safe and effective operation of the dams. As the projects continue, the costs to rehabilitate the dams could increase. LCRA primarily will issue debt to pay for these projects and recover the costs in the firm water rate.

Other capital projects:

- Other capital projects include capital for irrigation and minor capital needs for Water.

New water supply capital projects:

- Capital spending for Arbuckle Reservoir will continue through FY 2025.
- LCRA plans to invest about \$159 million over the next five years for new water supply projects. LCRA expects to pay for these projects with existing funds or by issuing debt and recovering the costs in the firm water rate.
- LCRA continues to evaluate the timing and funding for the construction phases of future projects.



Water – Financial Summary

We are providing long-term water supply at a low rate.

- The firm rate is projected to remain flat until the January 2025 billing period.
- The Gulf Coast and Lakeside agricultural divisions are cut off in calendar year 2023. Full water availability is assumed to resume in calendar year 2024.
- During fiscal year 2024, Agriculture Reserve and Rate Stabilization funds are used to help mitigate the revenue loss from the CY 2023 Gulf Coast and Lakeside cutoff.
- Annual debt service includes the Texas Water Development Board Arbuckle Reservoir debt paid from the Resource Development Fund.

(Dollars in millions)

	Budgeted	Proposed	Forecast			
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues						
Firm Water	\$ 27.9	29.5	30.4	31.6	31.7	31.9
Agriculture	9.1	10.5	11.0	11.7	12.3	13.0
Other	2.7	2.1	2.0	2.0	1.9	1.9
Total Revenues	39.8	42.1	43.4	45.3	46.0	46.8
Operations and Maintenance	18.2	19.1	19.1	18.5	18.7	19.0
Net Operating Margin	21.6	23.0	24.3	26.8	27.3	27.8
Plus: Interest Income	0.8	2.3	2.0	2.0	2.0	1.9
Less: Assigned Enterprise Expense	5.0	5.5	7.7	7.2	7.5	6.5
Public Service Fund	1.1	1.2	1.2	1.3	1.3	1.3
Resource Development Fund	0.6	0.6	0.6	0.6	0.6	0.6
Net Margin Available for Debt Service	15.8	17.9	16.7	19.7	19.8	21.3
Debt Service	\$ 21.0	25.9	25.9	26.0	26.9	27.9
Debt Service Coverage	0.75x	0.69x	0.65x	0.76x	0.73x	0.76x
Plus: Resource Development Funding	\$ 14.9	19.0	19.1	18.4	17.8	17.7
Debt Service Coverage, Adjusted	1.46x	1.43x	1.38x	1.47x	1.40x	1.40x

Public Service Fund

LCRA uses the Public Service Fund on statutory programs that do not fully recover their costs.

- FY 2024 Public Service Fund operating fund requirements include:
 - \$10.3 million for parks.
 - \$5.6 million for water quality programs.
 - \$3.3 million for natural resource protection.
 - About \$900,000 for water surface management.

(Dollars in millions)

	Budgeted	Proposed	Forecast			
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$ 6.7	6.6	7.9	8.2	8.5	8.7
Total Operating Expense	24.5	27.2	28.0	28.1	28.8	29.2
Operating Fund Requirement	17.8	20.5	20.1	19.9	20.3	20.4
Capital Spending	2.1	2.3	2.8	3.1	3.0	3.2
Assigned Enterprise Capital	0.3	0.4	0.5	0.6	0.4	0.3
Reserves	1.0	0.7	0.2	0.0	0.2	0.1
Grants	2.6	2.6	2.6	2.6	2.6	2.6
Total Funding Requirement	\$ 23.9	26.5	26.3	26.2	26.5	26.6

- These services provide some revenue but require annual support to cover the costs of operations, Enterprise Support and capital.

- The PSF grants include \$2.1 million annually for the Community Development Partnership Program and \$500,000 annually for the Colorado River Land Trust.

(Dollars in millions)

	Budgeted	Proposed	Forecast			
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Sources						
Public Service Fund						
Wholesale Power	\$ 7.1	7.8	7.8	8.9	9.3	9.1
GenTex Power Corporation	2.5	2.0	2.2	2.5	2.3	2.2
LCRA WSC Energy	0.0	0.1	0.1	0.1	0.0	0.0
WSC Energy II	0.0	0.0	0.0	0.0	0.0	0.0
LCRA TSC	17.0	18.7	22.5	24.7	26.8	28.0
Water	1.1	1.2	1.2	1.3	1.3	1.3
Strategic Services	0.6	0.6	0.5	0.5	0.5	0.5
Subtotal	28.4	30.4	34.2	37.9	40.2	41.1
Uses						
Public Service Activities	23.9	26.5	26.3	26.2	26.5	26.6
Resource Development Fund	1.0	1.0	1.0	1.0	1.0	1.0
Infrastructure Reserve	3.0	3.0	4.0	4.0	4.0	4.0
Strategic Reserve Fund	0.5	0.0	3.0	6.7	8.7	9.6
Subtotal	28.4	30.4	34.2	37.9	40.2	41.1
Remaining in PSF	\$ 0.0	0.0	0.0	0.0	0.0	0.0

- Fund sources include contributions from budgeted nonfuel Wholesale Power costs, budgeted LCRA WSC Energy and WSC Energy II net margin, and budgeted revenue from GenTex Power Corporation, LCRA TSC, Water and Strategic Services.

Strategic Services

Strategic Services includes external services that people pay LCRA to provide.

- Strategic Services primarily includes:
 - Telecommunications radio sales.
 - Transmission Customer Service.
 - LCRA Environmental Laboratory Services.

(Dollars in millions)

	Budgeted	Proposed	Forecast			
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$ 21.7	20.4	16.2	16.6	16.0	16.3
Operations and Maintenance	19.0	17.5	11.6	11.5	11.3	11.2
Net Operating Margin	2.7	2.9	4.6	5.1	4.6	5.1
Less: Assigned Enterprise Expense	3.5	3.3	3.2	3.3	3.3	3.4
Public Service Fund	0.6	0.6	0.5	0.5	0.5	0.5
Resource Development Fund	0.4	0.4	0.3	0.3	0.3	0.3
Net Margin Available	\$ (1.9)	(1.5)	0.6	1.0	0.5	0.9

Enterprise Support

Enterprise Support costs consist of essential functions that support business operations across LCRA.

- Enterprise Support includes:

(Dollars in millions)

	Budgeted	Proposed	Forecast			
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Net Enterprise Costs	\$ 146.1	160.5	165.4	170.3	175.4	179.4
Cost Assignment						
Wholesale Power and Nonprofit Corporations	33.5	34.2	36.3	39.6	38.2	38.3
LCRA TSC	64.4	65.3	66.8	76.9	89.2	90.0
Water	5.0	5.5	7.7	7.2	7.5	6.5
Public Service Fund Activities	4.4	4.9	5.0	5.2	5.2	5.3
Strategic Services	3.5	3.3	3.2	3.3	3.3	3.4
Capital/Other	35.3	47.3	46.4	38.2	31.8	35.9
Total	146.1	160.5	165.4	170.3	175.4	179.4
Capital Expenditures						
Debt-Funded	25.0	25.0	0.0	0.0	0.0	0.0
Revenue-Funded	27.2	38.6	47.0	46.2	41.5	27.9
Third Party or Proceeds-Funded	0.0	0.0	4.0	1.0	0.0	0.0
Total Capital	\$ 52.2	63.6	51.0	47.2	41.5	27.9

- Cybersecurity.
 - Digital Services.
 - Facilities.
 - Legal.
 - Finance.
 - Public Safety.
 - Regulatory.
 - Telecommunications.
 - Others.
- Some costs are direct-charged when specific services are performed for a product line.
- Most other costs are assigned based on a three-factor formula of assets, labor hours and revenue.

LCRA Capital Plan – by Status

- Approval of this capital plan authorizes the initiation of all recommended projects at their individually stated lifetime budgets as shown in the plan.
- Staff may bring future projects individually to the Board for approval after scope and cost estimates have been further refined, and staff includes future projects in this document for financial planning purposes.
- Board approval of this plan also authorizes the proposed \$413.7 million budget for FY 2024 capital spending, which includes \$251.8 million for recommended projects and \$162 million for projects the Board approved previously.

FY 2024-FY 2028 Capital Spending for Recommended, Approved and Future Projects

LCRA Total (Excluding LCRA TSC and Including Austin Energy's Share and the City of San Marcos' Share)

(Dollars in millions)

	Budgeted Proposed		Forecast					Five-Year	
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total	Lifetime	
Recommended Projects	\$	251.8	104.8	7.4	2.9	0.4	367.3	422.7	
Approved Projects		162.0	30.0	4.9	4.4	3.2	204.5	676.1	
Subtotal Recommended and Approved		413.7	134.9	12.3	7.3	3.6	571.8	1,098.8	
Future Projects		0.0	76.2	118.6	101.2	132.9	428.8	480.3	
Total FY 2024 Capital Plan		413.7	211.1	130.8	108.5	136.5	1,000.6	1,579.1	
Less: Co-owners' Shares		2.4	3.6	6.1	2.7	4.7	19.4	20.1	
LCRA's Share		411.3	207.5	124.8	105.8	131.8	981.2	1,559.0	

Comparison With Previous Plan

Total FY 2023 Capital Plan (With Co-owners)		180.6	121.1	80.7	72.2	65.2	0.0	519.9	948.5
Difference*	\$	n/a	292.6	130.3	58.6	43.2	136.5	480.7	630.6

*Difference for five-year total is based on a rolling five-year comparison, i.e., FY 2024-FY 2028 spending from the current plan compared with FY 2023-FY 2027 from the plan the Board approved in May 2022 (not compared with the amended FY 2023 spending limit the LCRA Board approved in March 2023 for LCRA).

LCRA TSC Capital Plan – by Status

- Board approval of this plan authorizes the proposed \$759.7 million budget for FY 2024 capital spending, which includes \$385.1 million for projects the Board approved previously and \$374.6 million of potential future projects.
- Staff will bring future projects individually to the Board or the CEO for approval after scope and cost estimates have been further refined and the budget has been established. Staff includes future projects in this document for financial planning purposes.

FY 2024 Capital Spending for Approved and Future Projects LCRA Transmission Services Corporation

(Dollars in millions)

	Budgeted	Proposed	Forecast				Five-Year Total
			FY 2023	FY 2024	FY 2025	FY 2026	
Approved Projects	\$	385.1	241.2	100.9	0.7	0.0	727.9
Future Projects		374.6	452.6	479.8	452.3	506.0	2,265.3
Total FY 2024 Capital Plan		759.7	693.8	580.7	453.0	506.0	2,993.2

Comparison With Previous Plan

Total FY 2023 Capital Plan (May 2022)	\$	488.7	468.9	410.9	415.4	418.3	0.0	2,202.2
Difference*		n/a	290.7	282.9	165.3	34.7	n/a	791.1

*Difference for five-year total is based on a rolling five-year comparison, i.e., FY 2024-FY 2028 spending from the current plan compared with FY 2023-FY 2027 from the plan the Board approved in May 2022 (not compared with the amended FY 2023 spending limit the LCRA TSC Board approved in March 2023 for LCRA TSC).

LCRA Capital Plan – by Business

(Dollars in millions)

- LCRA’s share of the total FY 2024 capital budget for recommended, approved and future projects is \$1.17 billion. About 15% of that amount will be revenue-funded or third-party or proceeds-funded.

LCRA Capital Expenditures

Revenue-Funded

	Budgeted FY 2023*	Proposed FY 2024	Forecast			
	FY 2023*	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Wholesale Power and Nonprofit Corporations	\$ 14.2	26.6	23.6	22.5	16.0	22.9
LCRA TSC	82.3	54.7	118.7	132.3	150.0	169.1
Water	9.5	9.8	8.4	10.2	8.5	9.0
Enterprise Support	27.2	38.6	47.0	46.2	41.5	27.9
Public Services	2.1	2.3	2.8	3.1	3.0	3.2
Strategic Services	-	0.0	-	0.1	0.1	0.0
	135.3	132.0	200.5	214.3	219.0	232.1

- LCRA’s share of the five-year total capital budget, including recommended, approved and future projects, is about \$4 billion. About 27% of that amount will be revenue-funded or third-party or proceeds-funded.

Debt-Funded

Wholesale Power and Nonprofit Corporations	32.4	188.6	97.6	6.3	1.1	-
LCRA TSC	658.7	693.4	575.1	448.4	303.1	336.9
Water	70.4	87.4	14.8	34.9	34.0	67.2
Enterprise Support	25.0	25.0	-	-	-	-
Strategic Services	0.2	0.3	0.2	0.2	0.2	0.2
	786.7	994.6	687.8	489.8	338.4	404.4

Third-Party/Proceeds-Funded

Wholesale Power and Nonprofit Corporations	26.3	30.5	8.0	-	-	-
LCRA TSC	9.0	11.6	0.0	-	-	-
Water	0.6	0.1	0.3	0.3	0.3	0.3
Enterprise Support	-	-	4.0	1.0	-	-
Public Services	2.5	2.2	0.7	-	1.1	1.0
Strategic Services	0.3	-	-	-	-	-
	38.6	44.4	13.0	1.3	1.4	1.3

Total LCRA Capital

	\$ 960.6	1,171.0	901.3	705.5	558.8	637.8
--	-----------------	----------------	--------------	--------------	--------------	--------------

- LCRA is using previously reserved funds to fund and accelerate certain critical infrastructure capital projects throughout the organization.

*The LCRA Board of Directors in March 2023 approved the amended capital spending limit for both LCRA and LCRA TSC.

LCRA Capital Plan – Approach

Capital Planning Approach

LCRA includes projects in the capital plan with the goal of ensuring LCRA can continue to offer its customers energy, water and public services in a reliable, competitively priced, environmentally responsible and safe manner. Each project undergoes a thorough review by LCRA's Asset Management work group and other staff members who separate the projects into three categories: recommended (projects management has reviewed and recommended for Board approval); approved (projects the Board approved previously); and future (projects staff may recommend implementing within the next five years).

Staff does not submit future projects for Board approval until scope and cost estimates have been further refined, but includes them in this document for financial planning purposes. The cost and timing of future projects presented in this document could change. For this reason, LCRA continues planning activities throughout the year and updates the plan as necessary.

Determining Need and Financial Analysis

Capital plan projects must support the goals of the business plan within financial parameters established by LCRA's Board and chief financial officer.

LCRA includes projects based on multiple factors, such as current and anticipated demand for LCRA's services and the need to maintain or build facilities or infrastructure to meet those demands. Other factors include compliance with applicable state and federal regulations, safety and security needs, the potential for increased revenues, and better management and protection of natural resources.

Staff has reviewed and analyzed the recommended projects and the projects for which LCRA plans to seek approval during the fiscal year. The project criteria may vary, but typically will involve either a payback period test, net present value analysis or other analyses to ensure the project is the most cost-effective approach. Executive management reviews each project to ensure the project warrants funding and inclusion in the capital plan. When appropriate, affected customers and stakeholders have the opportunity to review and comment on the proposed project scope and budget.

LCRA Capital Plan – Approach (Continued)

Developing Project Estimates

LCRA staff develops project cost estimates. An estimate's accuracy is based on identifying the work and resources necessary to complete the project objectives. Cost estimates are revised and become more accurate as more information regarding the scope and deliverables is available.

The capital planning cycle involves these steps:

- Developing and refining a list of business needs based on planning criteria and asset owner input.
- Defining the scope and approach necessary to address those needs.
- Obtaining cost estimates and performing business analyses to establish a proposed project budget and to evaluate affordability, economic viability, portfolio prioritization and risk.
- Seeking approval of the capital plan to validate strategic direction, establish lifetime and fiscal year budgets, and allow business planning for the future.

LCRA may recommend or seek approval of some projects using less-refined cost estimates because of the timing in determining the specific technology that would be implemented. Projects recommended that have less-refined cost estimates are noted in the project description.

Project Prioritization

LCRA reviews and prioritizes its projects based on criteria that include safety, cost, reliability, competitiveness, environmental considerations and other factors. The appropriate executive reviews staff recommendations.

Projects that are essential to ensure the continued reliable and cost-effective delivery of LCRA services, concern public safety or limit interruption of services receive the highest priority. LCRA also assigns higher priority to projects with regulatory issues that may result in substantial financial impacts for noncompliance, projects already in progress that have a substantial cost to stop, and projects with contractual requirements that could have substantial financial impacts to LCRA.

LCRA Capital Plan – Approach (Continued)

Project Approval and Monitoring

LCRA brings each recommended capital project for the next fiscal year to the LCRA Board for approval with this plan. Board approval authorizes the release of funds to execute the identified projects. However, executives may authorize funding in stages or all at once for the entire project. Staff may bring future projects individually to the Board for approval throughout the fiscal year.

Regardless of the estimating level or the method used to generate the cost estimate, Board policies 301 – Finance and T301 – Finance require the LCRA Board or LCRA TSC Board to approve lifetime budgets for individual projects throughout the fiscal year. Policies 301 and T301 delegate this authority to the CEO, so long as additional funding does not cause total capital expenditures to exceed the approved capital plan or materially adversely impact business planning assumptions.

For any project not previously authorized by the LCRA Board or LCRA TSC Board, Board policies 301 and T301 delegate to the CEO the authority to approve any capital project with a lifetime budget not to exceed \$1.5 million. Board Policy T301 also gives the CEO delegated authority to approve all capital projects associated with generation interconnection projects not previously authorized by the Board, in each case only after the generator has provided appropriate financial security to LCRA TSC for its expenses. Staff will communicate any CEO-approved projects to the LCRA Board and LCRA TSC Board on a quarterly basis.

Project Management staff provides to LCRA's executives quarterly capital project status reports on approved projects. Reports include cost variances, estimated completion dates, comparisons of work completed to budget spent, fiscal year spending forecasts and project estimates at completion compared with the current capital plan. The reports also highlight any significant changes to the capital program, including project cancellations, delays and budget-to-actual expenditures.

LCRA Capital Plan – Approach (Continued)

Capital Plan Approval and Reporting

LCRA Board approval of this capital plan authorizes the initiation of all recommended projects at their individually stated lifetime budgets. These recommended projects include annual budgets for general additions and minor capital. General additions are small capital additions or replacement projects that do not exceed \$500,000. Minor capital budgets are used to fund purchases of equipment that, essentially, is ready to place in service upon delivery, such as fleet assets or technology hardware.

Board approval of this plan also authorizes the proposed \$1.17 billion budget for FY 2024 capital spending for recommended, approved and potential future projects. At this time, LCRA is not seeking Board approval for future projects. LCRA will bring any future project determined to require initiation in FY 2024 to the Board for approval as required.

LCRA incorporates spending projections in the capital plan into the financial performance and rate impacts shown in the business plan. Upon approval and throughout FY 2024, LCRA will provide to the Board regular reports on project progress and compliance with the project budgets and fiscal year spending constraints established in the plan.

The following pages include specific project details and proposed lifetime budgets for recommended projects, as well as annual spending projections for approved and future projects.

Note: The dollar amounts in parentheses after the project titles reflect lifetime budgets.

Wholesale Power Projects

Information about Wholesale Power capital projects included in the capital plan is considered confidential and has been removed from this version of the document.

Transmission Projects

Approved and potential future Transmission projects total \$759.7 million in FY 2024 and total \$3 billion over the next five years. Staff will bring potential future projects individually to the Board or the CEO for approval throughout the fiscal year. LCRA TSC projects are required to meet anticipated electric load growth and electric load additions, operating constraints and long-term reliability criteria addressing transmission and transformation needs, as well as reliability of service and equipment reliability limitations, and safety and environmental issues.

To assist in aligning the various goals and associated requirements listed above, the projects are organized in the following categories:

- **General addition projects** are primarily smaller construction projects that maintain electric transmission infrastructure and reliability.
- **Generator interconnection projects** are necessary to facilitate generator interconnections requested by participants in the ERCOT market.
- **Minor capital projects** are primarily for the acquisition of equipment that supports electric transmission needs and, generally, is ready to place in service upon delivery.
- **Service reliability projects** are driven by equipment obsolescence, operational improvements or transmission service reliability needs.
- **System capacity projects** are needed to provide new or increased transmission system capacity.
- **Third-party funded projects** are not driven by utility criteria; instead, external parties that will contribute a substantial portion of the project cost request the projects.

Transmission Projects (Continued)

There are 71 approved projects with expected spending of \$385.1 million in FY 2024. See the appendix for details on LCRA TSC approved projects. This expected spending is categorized below.

LCRA Transmission Services Corporation FY 2024 Capital Plan Approved Projects

(Dollars in millions)

Planning Category	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Five-Year Total
Generator Interconnection Projects	\$ 29.3	-	-	-	-	29.3
Service Reliability Projects	290.0	114.0	5.8	-	-	409.8
System Capacity Projects	62.5	127.2	95.1	0.7	-	285.6
Third-Party Funded Projects	3.2	0.0	-	-	-	3.2
Approved Subtotal	\$ 385.1	241.2	100.9	0.7	-	727.9

Transmission Projects (Continued)

Staff continues to evaluate projects totaling almost \$2.3 billion of expected spending over the next five years. Staff will bring these projects individually to the Board or LCRA Transmission Services Corporation CEO for approval throughout the fiscal year. This spending is categorized below.

LCRA Transmission Services Corporation FY 2024 Capital Plan Future Projects

(Dollars in millions)

Planning Category	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Five-Year Total
General Addition Projects	\$ 6.0	6.0	6.0	6.0	6.0	30.0
Generator Interconnection Projects	37.0	43.0	30.0	30.0	30.0	170.0
Minor Capital Projects	0.3	0.3	0.3	0.3	0.3	1.5
Service Reliability Projects	281.9	281.4	312.4	239.8	206.4	1,321.9
System Capacity Projects	41.0	121.9	131.1	176.2	263.3	733.5
Third-Party Funded Projects	8.4	-	-	-	-	8.4
Future Subtotal	\$ 374.6	452.6	479.8	452.3	506.0	2,265.3

Transmission Projects (Continued)

Spending for approved and potential future projects totaling about \$3 billion over the next five years is categorized below.

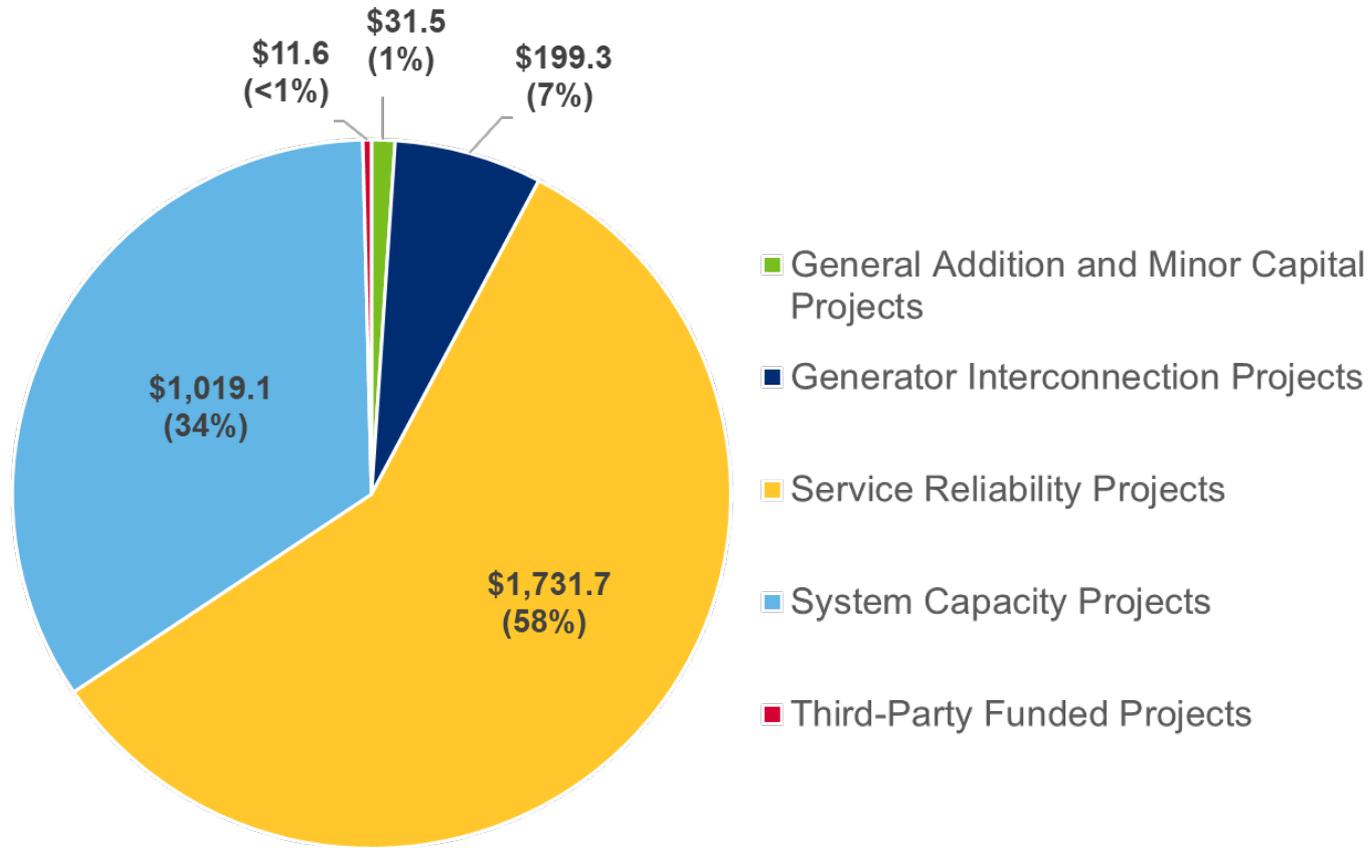
LCRA Transmission Services Corporation FY 2024 Capital Plan Approved and Future Projects

(Dollars in millions)

Planning Category	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Five-Year Total
General Addition Projects	\$ 6.0	6.0	6.0	6.0	6.0	30.0
Generator Interconnection Projects	66.3	43.0	30.0	30.0	30.0	199.3
Minor Capital Projects	0.3	0.3	0.3	0.3	0.3	1.5
Service Reliability Projects	571.9	395.4	318.2	239.8	206.4	1,731.7
System Capacity Projects	103.5	249.1	226.2	176.9	263.3	1,019.1
Third-Party Funded Projects	11.6	0.0	-	-	-	11.6
Total LCRA Transmission Services Corporation	\$ 759.7	693.8	580.7	453.0	506.0	2,993.2

Transmission Projects (Continued)

Total spending on Transmission approved and potential future capital projects is expected to be about \$3 billion over the next five years. This spending is categorized below.



Dollars in millions

Note: Details of the approved projects are shown in the appendix.

Water Projects

Water projects in the capital plan include capital improvements for managing and delivering raw water. This plan focuses resources on managing the river, improving infrastructure – including LCRA’s Hydromet system – and planning to meet the basin’s future water needs.

Recommended and approved Water projects total \$97.3 million in FY 2024 and total \$131 million over the next five years through FY 2028. Future projects total \$154.6 million through FY 2028.

FY 2024 Requested Project Budget Increase

Arbuckle Reservoir (\$456 million) – Staff requests a \$37 million increase to the Arbuckle Reservoir project’s lifetime budget from \$419 million to \$456 million. Staff requests this lifetime budget increase to fund an increase in construction and material costs and the overall project schedule to complete the eastern portion of the reservoir seepage barrier and other related items necessary for the reservoir’s safe operation.

FY 2024 Recommended Projects

Lake Bastrop Water (\$9.4 million) – The project scope is for the first phase of a water development project that will include external engineering design services associated with surveying and easements, geotechnical data collection, design, permitting, and further evaluation. The project would involve improvements to and use of the existing river intake, pipeline and reservoir infrastructure to divert surface water from the Colorado River to be stored and used from Lake Bastrop for additional water supply purposes. This lifetime budget represents the first phase of this project, which is projected to go through FY 2027. Staff at a later time will seek Board approval separately for the construction phase of the project.

Matagorda Bay Brackish Groundwater Well (\$5 million) – The project scope is to design and construct a pilot well to determine the feasibility of constructing and operating an estimated 12 brackish groundwater wells over multiple phases. This project originally was identified as a potential way to offset the use of stored water from the Highland Lakes to meet environmental flow requirements during times of drought.

Water Projects (Continued)

FY 2024 Recommended Projects (Continued)

General Additions – General addition projects will maintain infrastructure and improve reliability and safety for the following:

- Hydromet (\$200,000).
- Irrigation systems (\$760,000).
- Raw water (\$1.345 million).

Minor Capital – The scope of minor capital projects is to purchase equipment that, essentially, is ready to place in service upon delivery for the following:

- Hydromet (\$325,000).
- Irrigation systems (\$477,000).
- Raw water (\$50,000).

Water Projects (Continued)

Water

FY 2024 Capital Plan Recommended and Approved Projects

(Dollars in thousands)

Project Name	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Five-Year Total	Lifetime
Recommended							
General Additions – Hydromet	200	-	-	-	-	200	200
General Additions – Irrigation Systems	760	-	-	-	-	760	760
General Additions – Raw Water	1,345	-	-	-	-	1,345	1,345
Lake Bastrop Water	800	3,500	3,500	1,600	-	9,400	9,400
Matagorda Bay Brackish Groundwater Well	500	1,000	2,500	1,000	-	5,000	5,000
Minor Capital – Hydromet	325	-	-	-	-	325	325
Minor Capital – Irrigation Systems	477	-	-	-	-	477	477
Minor Capital – Raw Water	50	-	-	-	-	50	50
Recommended Subtotal	4,457	4,500	6,000	2,600	-	17,557	17,557
Approved							
Arbuckle Reservoir	75,892	3,566	-	-	-	79,458	456,000
Buchanan Dam Spalling Concrete Rehabilitation – Phase 3	3,000	3,200	3,200	3,200	3,200	15,800	36,000
Griffith League Ranch Groundwater	2,001	1,474	-	-	-	3,475	8,500
Lane City Dam Rehabilitation and Hurricane Harvey Recovery	10,818	-	-	-	-	10,818	13,760
Mansfield Dam Paradox Gate Rehabilitation – Phase 2	948	752	122	-	-	1,822	10,416
New Water Supply Projects – Phase 1	219	230	485	1,174	-	2,108	6,179
Approved Subtotal	92,878	9,222	3,807	4,374	3,200	113,481	530,855

Water Projects (Continued)

Water

FY 2024 Capital Plan Future Projects

(Dollars in thousands)

Project Name	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Five-Year Total	Lifetime
Future							
Buchanan Dam Roller Replacement and Submerged Intake Tower	-	2,000	-	-	-	2,000	2,000
Buchanan Dam Seven-Gate Section Spillway Improvements – Phase 2	-	-	-	-	2,500	2,500	5,000
General Additions – Hydromet	-	100	100	100	100	400	400
General Additions – Irrigation Systems	-	580	310	310	310	1,510	1,510
General Additions – Raw Water	-	200	200	200	150	750	750
Griffith League Ranch Groundwater – Phase 2	-	-	21,900	21,900	-	43,800	43,800
Griffith League Ranch Groundwater – Phase 3	-	-	-	-	10,000	10,000	20,000
Lake Bastrop Water (Future)	-	-	-	1,000	57,500	58,500	85,500
Lakeside Main Canal Gate Automation	-	300	300	300	300	1,200	1,500
Mansfield Dam Flood Conduit Recoating	-	-	-	200	200	400	400
Mansfield Dam Floodgate Hydraulic Piping	-	-	800	-	-	800	800
Mansfield Dam Upstream Ring Follower Gates Rehabilitation	-	-	1,200	-	-	1,200	1,200
Mansfield Dam Upstream Ring Follower Gates Rehabilitation (Future)	-	-	-	1,200	1,200	2,400	12,000
Minor Capital – Hydromet	-	50	125	50	75	300	300
Minor Capital – Irrigation Systems	-	505	600	525	645	2,275	2,275
Minor Capital – Raw Water	-	65	50	50	50	215	215
New Regional Water Supply Projects – Phase 2	-	6,000	10,000	10,000	300	26,300	26,300
Future Subtotal	-	9,800	35,585	35,835	73,330	154,550	203,950
Total Water	97,335	23,522	45,392	42,809	76,530	285,588	752,362

Public Services Projects

Legislative authority and LCRA's Board provide direction for LCRA staff to develop and manage parks, recreation facilities and natural science centers in LCRA's statutory district, providing public recreation and water access along the lower Colorado River and its tributaries and at LCRA's power plant reservoirs. LCRA's park system includes more than 40 parks on roughly 11,000 acres. The parks enhance the public's use and enjoyment of LCRA lands and provide diverse outdoor recreation and education opportunities.

LCRA's public service funding aims to keep pace with the growing Texas population and expected increase in park visitation, protect natural resources and water quality along the Colorado River, and develop facilities that help achieve LCRA's cost-recovery goals for parks. As part of this development, staff seeks approval of using the Public Recreation and Conservation Land Acquisition Fund to fund capital in the first three years of the plan.

Recommended and approved Public Services projects total \$4.5 million in FY 2024 and total \$6 million over the next five years through FY 2028. Future projects total \$13.3 million through FY 2028.

FY 2024 Requested Project Budget Increase

Matagorda Bay Facility Improvements (\$1.26 million) – Staff requests a \$440,000 increase to the Matagorda Bay Facility Improvements project's lifetime budget from \$820,000 to \$1.26 million. Staff requests this lifetime budget increase to fund an increase in construction and material costs to complete the installation of new wall tile, tile flooring, plumbing fixtures, electrical fixtures, toilet partitions and countertops in the restroom facilities at the Natural Science Center, RV camping area and Jetty Park. Staff also requests approval to fund \$1.161 million of the lifetime budget through the Public Recreation and Conservation Land Acquisition Fund.

FY 2024 Recommended Projects

North Shore Park Improvements (\$785,000) – Lake Bastrop North Shore Park welcomes about 30,000 guests per year. The entrance road to the park has been repaired multiple times over the years to extend the useful life of the pavement. The project scope will include demolition and replacement of the existing park entrance road's asphalt paving.

Public Services Projects (Continued)

FY 2024 Recommended Projects (Continued)

General Additions – General addition projects will maintain infrastructure and make strategic improvements to enhance customer service in the following area:

- Parks (\$550,000).

Minor Capital – The scope of minor capital projects is to purchase equipment that, essentially, is ready to place in service upon delivery for the following:

- Parks (\$738,000).
- Other Public Services (\$210,000).

Public Services Projects (Continued)

Public Services

FY 2024 Capital Plan Recommended, Approved and Future Projects

(Dollars in thousands)

Project Name	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Five-Year Total	Lifetime
Recommended							
Parks							
General Additions	550	-	-	-	-	550	550
Minor Capital	738	-	-	-	-	738	738
North Shore Park Improvements	785	-	-	-	-	785	785
Other Public Services							
Minor Capital	210	-	-	-	-	210	210
Recommended Subtotal	2,283	-	-	-	-	2,283	2,283
Approved							
Parks							
Black Rock Park Improvements	1,000	1,530	-	-	-	2,530	5,600
Matagorda Bay Facility Improvements	1,161	-	-	-	-	1,161	1,260
Matagorda Bay Nature Park Improvements	50	-	-	-	-	50	8,415
Approved Subtotal	2,211	1,530	-	-	-	3,741	15,275
Future							
Parks							
General Additions	-	451	284	150	150	1,035	1,035
Grelle Recreation Area Improvements	-	-	-	700	2,300	3,000	3,000
Matagorda Bay Maintenance Facility	-	700	-	-	-	700	700
Minor Capital	-	450	380	675	1,290	2,795	2,795
South Shore Park Improvements	-	-	1,670	2,000	-	3,670	3,670
Other Public Services							
Minor Capital	-	395	730	505	430	2,060	2,060
Future Subtotal	-	1,996	3,064	4,030	4,170	13,260	13,260
Total Public Services	4,494	3,526	3,064	4,030	4,170	19,284	30,818

Strategic Services Projects

Recommended Strategic Services projects total \$286,000 in FY 2024 and over the next five years through FY 2028. Future projects total \$1.2 million through FY 2028.

FY 2024 Recommended Projects

General Additions – General addition projects will maintain infrastructure and make strategic improvements to enhance customer service in the following area:

- Telecommunications (\$256,000).

Minor Capital – The scope of minor capital projects is to purchase equipment that, essentially, is ready to place in service upon delivery for the following:

- LCRA Environmental Laboratory Services (\$30,000).

Strategic Services Projects (Continued)

Strategic Services

FY 2024 Capital Plan Recommended and Future Projects

(Dollars in thousands)

Project Name	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Five-Year Total	Lifetime
Recommended							
LCRA Environmental Laboratory Services							
Minor Capital	30	-	-	-	-	30	30
Telecommunications							
General Additions	256	-	-	-	-	256	256
Recommended Subtotal	286	-	-	-	-	286	286
Future							
LCRA Environmental Laboratory Services							
Minor Capital	-	-	85	65	35	185	185
Telecommunications							
General Additions	-	250	250	250	250	1,000	1,000
Future Subtotal	-	250	335	315	285	1,185	1,185
Total Strategic Services	286	250	335	315	285	1,471	1,471

Enterprise Support Projects

Enterprise Support capital projects provide the facility services, telecommunications and information technology infrastructure that support the business operations of the organization. LCRA's power, transmission and water rates fund the projects, which makes predicting costs to include in LCRA's rates especially important. Unless an emergency arises, LCRA adjusts Enterprise Support priorities throughout the year to stay within the approved capital plan budget for each fiscal year instead of seeking additional funding authority from the Board.

Recommended and approved Enterprise Support projects total \$63.6 million in FY 2024 and total \$70 million over the next five years through FY 2028. Future projects total \$161.1 million through FY 2028.

FY 2024 Recommended Projects

Communications Shelter Addition – FY 2024 Telecommunications Upgrade (\$2.4 million) – The project scope is to install communications shelters, fiber patch panels, power supply equipment and generators at five fiber backbone facilities. The project will increase the reliability and flexibility of LCRA's telecommunications system and make the system more maintainable.

Corporate Unified Computing System Replacement (\$820,000) – The project scope is to replace server infrastructure at the General Office Complex and Dalchau Service Center data centers. The existing hardware has been in service for eight years and has reached its end of life.

DWDM Build-Out – FY 2024 Telecommunications Upgrade (\$1 million) – The project scope is to improve telecommunication system capacity and reliability by expanding the dense wavelength division multiplexing system to eight sites. The equipment will provide increased bandwidth across the fiber backbone and provide alternate circuit paths for telecommunications traffic.

Enterprise Support Projects (Continued)

FY 2024 Recommended Projects (Continued)

Enterprise HyperFlex™ Replacement (\$775,000) – The project scope is to replace infrastructure at the LCRA Hydroelectric Operations Control Center, Lost Pines 1 Power Project, Sim Gideon Power Plant, Thomas C. Ferguson Power Plant and Winchester Power Park. Cisco's HyperFlex infrastructure integrates computing, networking and storage resources at these locations. The existing hardware has been in service for six years and has reached its end of life.

Llano Network Telecommunications Upgrade (\$1.21 million) – The project scope is to improve transport reliability at the Buchanan Dam complex by installing a new communications shelter and replacing the fiber. The new shelter will connect four transmission lines in proximity to Buchanan Dam, the Hydroelectric Operations Control Center and the Coronado Substation, while the new fiber will increase reliability.

Radio System Core Telecommunications Upgrade (\$2.05 million) – The project scope is to upgrade the current 700-megahertz and 900-MHz land mobile radio systems to the newest supported system releases. The upgrade is required to maintain vendor support and the availability of spare radios, which will help maintain system reliability for the more than 180 cities, counties, electric utilities and other public safety entities that use LCRA's radio system.

General Additions – General addition projects will maintain infrastructure and improve reliability and safety for the following:

- Digital Services (\$1 million).
- Facilities (\$1.026 million).
- Public Safety (\$50,000).
- Telecommunications (\$2.975 million).

Enterprise Support Projects (Continued)

FY 2024 Recommended Projects (Continued)

Minor Capital – The scope of minor capital projects is to purchase equipment that, essentially, is ready to place in service upon delivery for the following:

- Cybersecurity (\$1.702 million).
- Digital Services (\$800,000).
- Facilities (\$925,000).
- Public Safety (\$1.068 million).
- Telecommunications (\$1.216 million).
- Transmission support (\$17.195 million).

Enterprise Support Projects (Continued)

Enterprise Support

FY 2024 Capital Plan Recommended Projects

(Dollars in thousands)

Project Name	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Five-Year	
						Total	Lifetime
Recommended							
Cybersecurity							
Minor Capital	1,702	-	-	-	-	1,702	1,702
Digital Services							
Corporate Unified Computing System Replacement	820	-	-	-	-	820	820
Enterprise HyperFlex™ Replacement	775	-	-	-	-	775	775
General Additions	1,000	-	-	-	-	1,000	1,000
Minor Capital	800	-	-	-	-	800	800
Facilities							
General Additions	1,026	-	-	-	-	1,026	1,026
Minor Capital	925	-	-	-	-	925	925
Public Safety							
General Additions	50	-	-	-	-	50	50
Minor Capital	1,068	-	-	-	-	1,068	1,068
Telecommunications							
Communications Shelter Addition – FY 2024 Telecommunications Upgrade	2,400	-	-	-	-	2,400	2,400
DWDM Build-Out – FY 2024 Telecommunications Upgrade	1,000	-	-	-	-	1,000	1,000
General Additions	2,975	-	-	-	-	2,975	2,975
Llano Network Telecommunications Upgrade	810	400	-	-	-	1,210	1,210
Minor Capital	1,216	-	-	-	-	1,216	1,216
Radio System Core Telecommunications Upgrade	1,050	1,000	-	-	-	2,050	2,050
Transmission Support							
Minor Capital	17,195	-	-	-	-	17,195	17,195
Recommended Subtotal	34,812	1,400	-	-	-	36,212	36,212

Enterprise Support Projects (Continued)

Enterprise Support

FY 2024 Capital Plan Approved and Future Projects

(Dollars in thousands)

Project Name	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Five-Year Total	Lifetime
Approved							
Digital Services							
Core Switch Upgrade	10	-	-	-	-	10	500
Edge Network Upgrade	998	-	-	-	-	998	3,500
Network Architecture Security	548	58	-	-	-	606	3,900
Telecommunications							
Communications Shelter Addition – FY 2023 Telecommunications Upgrade	113	-	-	-	-	113	2,300
DWDM Build-Out – FY 2023 Telecommunications Upgrade	18	-	-	-	-	18	890
Fayette County Network Telecommunications Upgrade	3	-	-	-	-	3	658
Network Stratification – FY 2023 Telecommunications Upgrade	2	-	-	-	-	2	600
Radio System Migration – FY 2021 Telecommunications Upgrade	2,061	-	-	-	-	2,061	2,240
Telecommunications Technology – FY 2023 System Upgrade	25,000	4,000	1,000	-	-	30,000	30,000
Approved Subtotal	28,753	4,058	1,000	-	-	33,811	44,588
Future							
Cybersecurity							
Minor Capital	-	685	865	265	265	2,080	2,080
Digital Services							
Asset and Work Management	-	1,000	1,000	-	-	2,000	2,000
Digital Services Infrastructure	-	2,000	3,000	3,000	2,000	10,000	10,000
Enterprise Resource Planning System	-	-	2,000	-	-	2,000	2,000
General Additions	-	1,000	1,000	1,000	1,000	4,000	4,000
Global Server Load Balancing	-	1,000	-	-	-	1,000	1,000
Minor Capital	-	800	800	800	800	3,200	3,200
Virtual Private Network	-	500	-	-	-	500	500

Enterprise Support Projects (Continued)

Enterprise Support

FY 2024 Capital Plan Future Projects

(Dollars in thousands)

Project Name	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Five-Year Total	Lifetime
Future (continued)							
Facilities							
General Additions	-	1,285	865	825	350	3,325	3,325
General Office Complex Main Chillers 1 and 2 Upgrades	-	-	200	600	600	1,400	1,400
Minor Capital	-	1,085	1,825	2,175	330	5,415	5,415
Public Safety							
General Additions	-	50	50	50	50	200	200
Minor Capital	-	560	1,070	560	700	2,890	2,890
Telecommunications							
Communications Shelter Addition – FY 2025 Telecommunications Upgrade	-	2,300	-	-	-	2,300	2,300
Communications Shelter Addition – FY 2026 Telecommunications Upgrade	-	-	2,300	-	-	2,300	2,300
Communications Shelter Addition – FY 2027 Telecommunications Upgrade	-	-	-	2,300	-	2,300	2,300
Communications Shelter Addition – FY 2028 Telecommunications Upgrade	-	-	-	-	2,300	2,300	2,300
DWDM Build-Out – FY 2025 Telecommunications Upgrade	-	700	-	-	-	700	700
DWDM Build-Out – FY 2026 Telecommunications Upgrade	-	-	700	-	-	700	700
DWDM Build-Out – FY 2027 Telecommunications Upgrade	-	-	-	700	-	700	700
DWDM Build-Out – FY 2028 Telecommunications Upgrade	-	-	-	-	700	700	700
Far West Radio Telecommunications Upgrades	-	800	800	800	-	2,400	2,400
General Additions	-	2,150	2,150	2,150	2,150	8,600	8,600
Hi Cross-Austin Fiber – FY 2025 Telecommunications Upgrade	-	500	-	-	-	500	500
Hi Cross-Austin Fiber – FY 2026 Telecommunications Upgrade	-	-	700	-	-	700	700
Hilbig Gas Storage Facility Transport – FY 2025 Telecommunications Upgrade	-	400	-	-	-	400	400
Minor Capital	-	1,215	875	760	675	3,525	3,525
Network Stratification – FY 2025 Telecommunications Upgrade	-	500	-	-	-	500	500

Enterprise Support Projects (Continued)

Enterprise Support FY 2024 Capital Plan Future Projects

(Dollars in thousands)

Project Name	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Five-Year Total	Lifetime
Future (continued)							
Telecommunications (continued)							
Network Stratification – FY 2026 Telecommunications Upgrade	-	-	500	-	-	500	500
Radio Subscriber – FY 2025 Telecommunications Upgrade	-	4,480	-	-	-	4,480	4,480
Radio Subscriber – FY 2026 Telecommunications Upgrade	-	-	4,480	-	-	4,480	4,480
Radio Subscriber – FY 2027 Telecommunications Upgrade	-	-	-	4,480	-	4,480	4,480
Radio System Migration – FY 2025 Telecommunications Upgrade	-	6,565	-	-	-	6,565	6,565
Radio System Migration – FY 2026 Telecommunications Upgrade	-	-	5,000	-	-	5,000	5,000
Radio System Migration – FY 2027 Telecommunications Upgrade	-	-	-	5,000	-	5,000	5,000
Transmission Support							
Minor Capital		16,000	16,000	16,000	16,000	64,000	64,000
Future Subtotal	-	45,575	46,180	41,465	27,920	161,140	161,140
Total Enterprise Support	63,565	51,033	47,180	41,465	27,920	231,163	241,940

Appendix

LCRA Consolidated

(Including Nonprofit Corporations)

(Dollars in millions)

	Budgeted	Proposed	Forecast			
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues						
Total Net Revenue¹	\$ 1,139.3	1,426.3	1,578.6	1,694.0	1,730.6	1,782.8
Expenses						
Total Net Expense¹	658.8	878.9	901.9	929.5	927.6	947.9
Net Operating Margin	480.5	547.4	676.6	764.5	803.0	834.9
Less: GenTex Funds ²	(8.7)	(8.1)	(3.4)	(7.5)	(1.3)	(0.1)
Net Margin for Debt Service, Adjusted	471.8	539.3	673.3	757.0	801.7	834.8
Debt Service	\$ 326.0	389.0	448.4	505.3	534.5	561.8
Debt Service Coverage, Adjusted	1.45x	1.39x	1.50x	1.50x	1.50x	1.49x
Net Margin After Debt Service³	\$ 154.5	158.4	228.3	259.2	268.5	273.1
Less:						
Operating Reserves	36.4	26.3	18.7	27.8	27.8	16.7
Revenue-Funded Capital	135.3	132.0	200.5	214.3	219.0	232.1
Noncash Revenue	2.6	2.6	2.6	2.6	1.9	1.9
Restricted for (Use of) Reserves	(22.6)	(5.9)	2.0	10.8	16.2	16.8
Restricted for Capital/Debt Retirement	0.3	1.0	1.9	1.1	1.1	3.0
Grants	2.6	2.6	2.6	2.6	2.6	2.6
Net Cash Flow	\$ 0.0	0.0	0.0	0.0	0.0	0.0

¹ Total net revenues and total net expenses are net of intracompany transfers. Total revenues include interest income. Operations and maintenance expense excludes the LCRA TSC capital charge, which is a capital expense for LCRA consolidated.

² Includes adjustments related to GenTex capital funding and reserve funding.

³ Net margin after debt service includes funds dedicated to GenTex.

Wholesale Power

(Including Nonprofit Corporations)

Confidential competitive electric information has been removed from this version of the document.

LCRA TSC

(Dollars in millions)

	Budgeted	Proposed	Forecast			
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$ 565.1	622.5	749.5	823.0	893.2	932.6
Operations and Maintenance	143.1	156.4	156.5	168.2	179.5	187.5
Net Operating Margin	422.0	466.1	593.0	654.8	713.7	745.0
Plus: Interest Income	0.8	7.0	5.6	5.6	5.9	4.3
Less: Assigned Enterprise Expense	64.4	65.3	66.8	76.9	89.2	90.0
Public Service Fund	17.0	18.7	22.5	24.7	26.8	28.0
Resource Development Fund	11.3	12.4	15.0	16.5	17.9	18.7
Net Margin Available for Debt Service	330.2	376.7	494.4	542.4	585.7	612.7
Debt Service	\$ 242.7	290.6	343.1	378.6	407.3	430.5
Debt Service Coverage	1.36x	1.30x	1.44x	1.43x	1.44x	1.42x
Net Margin After Debt Service	\$ 87.4	86.1	151.3	163.8	178.4	182.3
Less:						
Operating Reserves	14.7	13.9	11.4	15.1	15.4	13.2
Assigned Enterprise Capital	11.6	15.8	24.3	23.0	20.0	8.9
Assigned Transmission Minor Capital	11.3	17.1	15.9	15.9	15.9	15.9
Revenue-Funded Capital	82.3	54.7	118.7	132.3	150.0	169.1
Plus:						
Amortization of Enterprise/Minor Capital ¹	13.5	15.5	19.1	22.6	22.9	24.9
Asset Sale	19.0	0.0	0.0	0.0	0.0	0.0
Net Cash Flow	\$ 0.0	0.0	0.0	0.0	0.0	0.0

¹ In FY 2012, LCRA TSC began funding minor capital and its share of enterprise capital with current year revenues. It will include an amortization of the amount in each year to recover in rates.

Water

(Dollars in millions)

	Budgeted	Proposed	Forecast			
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues						
Firm Water	\$ 27.9	29.5	30.4	31.6	31.7	31.9
Agriculture	9.1	10.5	11.0	11.7	12.3	13.0
Other	2.7	2.1	2.0	2.0	1.9	1.9
Total Revenues	39.8	42.1	43.4	45.3	46.0	46.8
Operations and Maintenance	18.2	19.1	19.1	18.5	18.7	19.0
Net Operating Margin	21.6	23.0	24.3	26.8	27.3	27.8
Plus: Interest Income	0.8	2.3	2.0	2.0	2.0	1.9
Less: Assigned Enterprise Expense	5.0	5.5	7.7	7.2	7.5	6.5
Public Service Fund	1.1	1.2	1.2	1.3	1.3	1.3
Resource Development Fund	0.6	0.6	0.6	0.6	0.6	0.6
Net Margin Available for Debt Service	15.8	17.9	16.7	19.7	19.8	21.3
Debt Service	\$ 21.0	25.9	25.9	26.0	26.9	27.9
Debt Service Coverage	0.75x	0.69x	0.65x	0.76x	0.73x	0.76x
Plus: Resource Development Funding	\$ 14.9	19.0	19.1	18.4	17.8	17.7
Debt Service Coverage, Adjusted	1.46x	1.43x	1.38x	1.47x	1.40x	1.40x
Net Margin After Debt Service	9.7	11.1	9.9	12.1	10.7	11.1
Less:						
Operating Reserves	0.0	0.4	0.6	0.0	0.1	0.0
Assigned Enterprise Capital	0.7	1.0	1.2	1.3	1.0	0.6
Revenue-Funded Capital	9.5	9.8	8.4	10.2	8.5	9.0
Noncash Revenues	1.9	1.9	1.9	1.9	1.9	1.9
Plus:						
Agriculture Reserve Fund	2.4	1.9	2.1	1.2	1.0	0.3
Net Cash Flow	\$ 0.0	0.0	0.0	0.0	0.0	0.0

Strategic Services

(Dollars in millions)

	Budgeted	Proposed	Forecast			
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$ 21.7	20.4	16.2	16.6	16.0	16.3
Operations and Maintenance	19.0	17.5	11.6	11.5	11.3	11.2
Net Operating Margin	2.7	2.9	4.6	5.1	4.6	5.1
Less: Assigned Enterprise Expense	3.5	3.3	3.2	3.3	3.3	3.4
Public Service Fund	0.6	0.6	0.5	0.5	0.5	0.5
Resource Development Fund	0.4	0.4	0.3	0.3	0.3	0.3
Net Margin Available	\$ (1.9)	(1.5)	0.6	1.0	0.5	0.9
Debt Service	\$ 0.0	0.0	0.2	0.2	0.2	0.2
Net Margin After Debt Service	(1.9)	(1.5)	0.5	0.8	0.3	0.7
Less:						
Operating Reserves	2.6	0.4	0.6	0.4	0.3	0.7
Revenue-Funded Capital	0.0	0.0	0.0	0.1	0.1	0.0
Assigned Enterprise Capital	0.6	0.6	0.8	0.8	0.7	0.3
Assigned Transmission Minor Capital	0.1	0.1	0.1	0.1	0.1	0.1
Plus:						
Prior-Year Reserves	5.1	2.6	1.0	0.5	0.8	0.4
Net Cash Flow	\$ 0.0	0.0	0.0	0.0	0.0	0.0

LCRA TSC Approved Projects

LCRA Transmission Services Corporation FY 2024 Capital Plan Approved Projects

(Dollars in thousands)

Project Name	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Five-Year Total	Lifetime
Generator Interconnection Projects							
Birdhouse Substation Addition	165	-	-	-	-	165	14,700
Clear Springs Generator Circuit Breaker Addition	102	-	-	-	-	102	4,100
Hornsby Circuit Breaker Addition	151	-	-	-	-	151	4,900
Pinto Creek Circuit Breaker Addition	38	-	-	-	-	38	6,400
Single Tree Substation Addition	20,045	-	-	-	-	20,045	23,000
Twelvemile Substation Addition	8,794	-	-	-	-	8,794	8,857
Twin Buttes 345-kV Circuit Breaker Addition	40	-	-	-	-	40	7,800
Generator Interconnection Projects Subtotal	29,335	-	-	-	-	29,335	69,757
Service Reliability Projects							
Antler-Bergheim Transmission Line Upgrade	33,582	17,753	-	-	-	51,335	70,800
Antler-Highway 46 Transmission Line Upgrade	41,788	101	-	-	-	41,889	68,200
Asphalt Mines Substation Addition	31	-	-	-	-	31	4,892
Bastrop West-Split Transmission Line Storm Hardening	31	-	-	-	-	31	7,343
Bergheim-Fair Oaks Ranch Transmission Line Upgrade	9,707	15,143	-	-	-	24,850	34,800
Boerne-Fair Oaks Ranch Transmission Line Upgrade	16,046	-	-	-	-	16,046	30,100
Boerne Split-Welfare Transmission Line Upgrade	12,298	38,227	1,049	-	-	51,574	61,600
Buchanan CTEC-Pittsburg Transmission Line Overhaul	370	-	-	-	-	370	34,500
Chief Brady Substation Upgrade	35	-	-	-	-	35	6,500
Circuit Switcher – FY 2022 Substation Upgrade	1,743	-	-	-	-	1,743	3,600
Containment Structure – FY 2022 System Upgrade	3,501	-	-	-	-	3,501	11,500
Easement Enhancement – FY 2019 System Upgrade	17	-	-	-	-	17	5,278
Easement Enhancement – FY 2023 System Upgrade	1,291	12	-	-	-	1,303	2,200
Eckert Power Transformer Upgrade	4,226	16	-	-	-	4,242	6,300
El Campo-Ricebird Transmission Line Storm Hardening	138	-	-	-	-	138	10,000
Energy Management System – FY 2023 System Upgrade	5,161	1,300	-	-	-	6,461	12,700
Esperanza-Fair Oaks Transmission Line Upgrade	9,750	-	-	-	-	9,750	36,400

LCRA TSC Approved Projects (Continued)

LCRA Transmission Services Corporation FY 2024 Capital Plan Approved Projects

(Dollars in thousands)

Project Name	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Five-Year Total	Lifetime
Service Reliability Projects (continued)							
Fairland-Lago Vista Transmission Line Upgrade	290	-	-	-	-	290	26,962
Fayetteville-Salem Transmission Line Upgrade	260	-	-	-	-	260	77,800
Flood Mitigation – FY 2022 System Upgrade	23	-	-	-	-	23	4,800
Georgetown Area Substation Upgrade	4,933	-	-	-	-	4,933	7,600
Henne-River Oaks Transmission Line Upgrade	102	-	-	-	-	102	34,900
Highway 46-River Oaks Transmission Line Upgrade	41,919	248	-	-	-	42,167	66,100
Hunt-Ingram Transmission Line Storm Hardening	121	-	-	-	-	121	10,100
Ingram-Jack Furman Transmission Line Storm Hardening	59	-	-	-	-	59	11,300
Instrument Transformer – FY 2022 Substation Upgrade	32	-	-	-	-	32	2,100
Kempner Circuit Breaker Addition	10	-	-	-	-	10	10,612
Kendall-Welfare Transmission Line Upgrade	18,934	40,855	4,736	-	-	64,525	76,400
Lampasas Substation Upgrade	368	-	-	-	-	368	14,200
Lightning Protection Substation Upgrade	407	-	-	-	-	407	2,500
Lockhart-Luling Transmission Line Overhaul	56	-	-	-	-	56	1,438
Lockhart-Red Rock Transmission Line Overhaul	65	-	-	-	-	65	13,500
Lockhart-Split Transmission Line Upgrade	35	-	-	-	-	35	8,000
Marion Autotransformer Upgrade	4,575	-	-	-	-	4,575	21,842
Marshall Ford Control Power Substation Upgrade	1,138	-	-	-	-	1,138	1,500
Marshall Ford-McNeil Transmission Line Storm Hardening	41,259	14	-	-	-	41,273	34,100
Multiprotocol Label Switching Protective Relaying – FY 2023 Telecommunications Upgrade	77	-	-	-	-	77	1,400
Nada-Ricebird Transmission Line Overhaul	16,878	190	-	-	-	17,068	18,600
Pedemales Electric Cooperative Transition System Upgrade	477	-	-	-	-	477	1,900
Physical Security – FY 2022 Substation Upgrade	131	-	-	-	-	131	7,250
Sim Gideon Circuit Breaker Substation Upgrade	2,089	11	-	-	-	2,100	3,700
Sim Gideon-Tahitian Village Transmission Line Storm Hardening	7,589	10	-	-	-	7,599	20,855
Starcke-Wirtz Transmission Line Storm Hardening	7,034	109	-	-	-	7,143	17,000

LCRA TSC Approved Projects (Continued)

LCRA Transmission Services Corporation FY 2024 Capital Plan Approved Projects

(Dollars in thousands)

Project Name	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Five-Year Total	Lifetime
Service Reliability Projects (continued)							
Substation Wide Area Network Firewall – FY 2023 Telecommunications Upgrade	1,313	11	-	-	-	1,324	2,100
System Operations Control Center Data Center Consolidation Facilities Upgrade	38	-	-	-	-	38	1,400
Telecommunications Virtual Machine Infrastructure System Upgrade	33	-	-	-	-	33	950
Transmission Metering – FY 2023 Substation Upgrade	11	-	-	-	-	11	1,000
Weltner Road Circuit Breaker Addition	73	-	-	-	-	73	3,200
Service Reliability Projects Subtotal	290,044	114,000	5,785	-	-	409,829	911,822
System Capacity Projects							
Bakersfield-Big Hill Transmission Line Addition	7,005	89	-	-	-	7,094	27,500
Bearkat-North McCamey Transmission Line Addition	8,117	55,164	39,208	379	-	102,868	104,100
Cooks Point Substation and Transmission Line Addition	2,708	-	-	-	-	2,708	43,957
Crane Circuit Breaker Addition	-	595	-	-	-	595	1,396
Crane East Substation Upgrade	29	-	-	-	-	29	11,900
Dale Power Transformer Upgrade	2,679	213	-	-	-	2,892	4,800
Gabriel Power Transformer Addition	2,766	-	-	-	-	2,766	3,400
Gillespie County System Upgrade	27,511	-	-	-	-	27,511	71,752
Hornsby Substation Addition	2,655	-	-	-	-	2,655	75,756
North McCamey-Sand Lake Transmission Line Addition	6,268	71,156	55,896	363	-	133,683	134,000
Saxet Substation Addition	2,358	-	-	-	-	2,358	4,400
Settlers Substation Addition	38	-	-	-	-	38	1,500
Swiftex Substation Upgrade	366	-	-	-	-	366	3,951
System Capacity Projects Subtotal	62,500	127,217	95,104	742	-	285,563	488,412
Third-Party Funded Projects							
Bastrop West-Bluebonnet Transmission Line Relocation	1,167	-	-	-	-	1,167	1,900
Broadband Easement Enhancement – FY 2022 System Upgrade	2,002	16	-	-	-	2,018	7,268
Columbus Area Easement Enhancement System Upgrade	11	-	-	-	-	11	1,500
Third-Party Funded Projects Subtotal	3,180	16	-	-	-	3,196	10,668
Approved Subtotal	385,059	241,233	100,889	742	-	727,923	1,480,659

This page is left blank intentionally.



LCRA
ENERGY • WATER • COMMUNITY SERVICES

P.O. Box 220, Austin, TX 78767-0220
www.lcra.org | 800-776-5272