# FREQUENTLY ASKED QUESTIONS

North McCamey to Bearkat 345-kV Transmission Line Project Upton, Reagan and Glasscock Counties

# - PROJECT OVERVIEW -

#### 1. What is the North McCamey to Bearkat 345-kV Transmission Line Project?

LCRA Transmission Services Corporation (LCRA TSC) and Wind Energy Transmission Texas, LLC (WETT) are jointly proposing to build and operate a new 345-kilovolt, doublecircuit capable transmission line in portions of Upton, Reagan and Glasscock counties, Texas. This project is endorsed by the Electric Reliability Council of Texas (ERCOT), which classified it as a critical project. The new line will connect LCRA TSC's existing North McCamey Substation in the southwestern area of Upton County to WETT's existing Bearkat Substation in the southern area of Glasscock County. LCRA TSC will construct, own and operate the southwestern half of the transmission line (connecting to the North McCamey Substation) and WETT will construct, own, and operate the northeastern half of the transmission line (connecting to the Bearkat Substation). If approved by the Public Utility Commission of Texas (PUC), the new transmission line will be about 60 miles long, depending on the route ultimately selected by the PUC.

#### 2. Why is this project needed?

The project is needed to reliably accommodate increasing demands on the electrical grid due to growth in the region. The Delaware Basin area of West Texas has experienced an average annual peak demand growth of roughly 12% from 2016 through 2021 due to significant growth in the oil and gas industry demand. In 2019, this proposed project was identified by Electric Reliability Council of Texas (ERCOT) in the Delaware Basin Load Integration Study as necessary to support the current and projected oil and gas load growth in the Delaware Basin area. In 2021, ERCOT performed additional analysis in the Permian Basin Load Integration Study that reconfirmed the need for the proposed project. In Summer 2022, ERCOT designated the project as critical to reliability of the transmission network.

#### - PARTIES AND OVERSIGHT -

#### 3. What is the PUC?

The Public Utility Commission of Texas, abbreviated as the PUC, is a state agency created by the Texas Legislature to provide statewide regulation of the rates and services of electric, telecommunications and water utilities. LCRA TSC and WETT will submit an application to amend their respective Certificates of Convenience and Necessity (CCN application) with the PUC requesting approval to construct, own and operate the project. The CCN application will include several geographically diverse alternative routes that comply with the routing factors established by the Legislature and the PUC. The PUC will determine if the need for a new transmission line has been demonstrated and has authority to decide the transmission line route to be constructed.

# 4. Will the CCN application include designation of a preferred route for the project?

No. The CCN application submitted to the PUC for the proposed project will not identify a "preferred route" or a "recommended route" for the proposed project. However, in the CCN application, transmission utilities are required to identify the route they believe best addresses the requirements of the Public Utility Regulatory Act and PUC Substantive Rules. In compliance with the rules, LCRA TSC and WETT will identify a route in the CCN application they believe best addresses the PUC requirements. However, neither LCRA TSC nor WETT will prefer or recommend this or any other route. If the proposed project is approved, it will be the PUC that decides the final route for the transmission line.

# 5. What is ERCOT?

ERCOT is the organization entrusted with planning and operating the electric grid covering most of Texas. It manages the generation and transmission of electricity to 26 million enduse electric consumers in Texas — representing about 90% of the state's electric load. As the independent system operator for the region, ERCOT manages 52,700 miles of transmission lines, and works with more than 1,030 generation units (including coal, natural gas, solar, wind and battery generation) to meet consumer demand.

### 6. What is a transmission utility?

Transmission utilities are entities that own and operate high-voltage electric transmission infrastructure interconnected with power generators and transmission-level customers such as municipalities, electric cooperatives and distribution utilities. Both LCRA TSC and WETT are Transmission utilities.

# — INFRASTRUCTURE —

### 7. What will the proposed transmission line structures look like?

LCRA TSC and WETT are proposing lattice steel towers for this project. Typical transmission structures supporting similar 345-kV lines are 110 to 185 feet above the ground. Typical span lengths between structures range from 1,000 to 1,300 feet. The application filed with the PUC for the project will include additional structure information and details.

### 8. Will the project be safe?

Yes. LCRA TSC and WETT design and construct transmission lines with safety in mind. The proposed project will meet or exceed the specifications outlined in the National Electrical Safety Code and will comply with all applicable state and federal statutes and regulations.

### — YOUR PROPERTY —

### 9. How will I be affected if the PUC-approved route crosses my land?

If the PUC approves the proposed project, LCRA TSC or WETT will work with each property owner affected by the route chosen by the PUC to purchase an easement over the affected land to construct, operate and maintain the new electric transmission line. An easement agreement is a legal document that outlines a utility's right to use privately owned land for operation of a transmission line and associated utility purposes. The easement is subsequently recorded in the county deed records and available for public inspection. The landowner retains ownership of the property. Normal agricultural and recreational activities, including farming, ranching, hunting and hiking, are often still allowed to occur within the easement area. An easement does not affect the mineral rights of the property, but will have some restriction on exploration activities specifically within the designated right of way.

### 10. How wide is the proposed easement for the transmission line?

For the proposed project, easements will typically be about 160 feet wide, or about 80 feet from the centerline of the route to the edge of the easement on each side. The exact width of the easement will depend on the specific location.

#### 11. How will the easement area be prepared for construction?

For the safety and reliability of the transmission line, the transmission utilities will remove tall vegetation within the right of way in most cases. Low growing vegetation outside of paths for vehicles and the work zone is generally acceptable. The transmission utilities evaluate special clearing accommodations for environmentally and culturally sensitive areas. Gates will be installed in fencing crossing the right of way for utility access to the easement. The transmission utilities will pay for such gates.

#### 12. What do LCRA TSC and WETT pay for easements?

LCRA TSC and WETT pay fair market value for transmission line easements. And both pay local property taxes on the transmission facilities, land and land rights they own.

### - NEXT STEPS -

#### 13. What are next steps for this project?

After the open houses, LCRA TSC, WETT and their routing consultant, POWER Engineers, will evaluate all public comments and conduct additional engineering and environmental analysis of the study area. The project team may add, eliminate, or modify preliminary route segments based on the information received from public input. Alternative routes made up of the various segments will be identified and evaluated in detail by the project team. POWER Engineers will then prepare an Environmental Assessment Report (sometimes called an EA or routing study) describing the project, the study area, and the data compiled during the project study phase. The EA will also present data associated with each segment and route of the proposed project. LCRA TSC and WETT will then prepare the CCN application, which will include the EA, to amend their respective CCNs and will submit the application to the PUC for consideration.

# 14. When will the transmission utilities submit the CCN application to the PUC and start construction?

LCRA TSC and WETT plan to file the application with the PUC in the spring or summer of 2023. If approved, the utilities anticipate starting construction in 2025 after the final design is completed and easements are obtained.

### 15. How will I know when LCRA TSC and WETT file their CCN application?

Upon submitting their CCN application to the PUC, LCRA TSC and WETT will mail letters to all landowners whose land is crossed by a potential route or who own a habitable structure (e.g., homes, apartments, businesses, hospitals, churches, schools) within 500 feet of a proposed alternative route. The notice will include information about how to participate in the

PUC proceeding. Public notifications regarding the CCN application filing also will be published in a local newspaper. Updates can also be found online at <u>www.lcra.org/NMBKT</u> or <u>www.windenergyoftexas.com/regulatory</u>.

# - ABOUT LCRA TSC -

LCRA TSC is a nonprofit utility that provides safe, reliable, and environmentally responsible electric transmission services in Texas. LCRA TSC's transmission lines and substations play a vital role in the transmission of electricity between power generation plants and local electric service providers. LCRA TSC owns or operates more than 5,400 miles of transmission lines, about 430 substations and a System Operations Control Center. LCRA staff operates and maintains those facilities for LCRA TSC, which provides wholesale transmission services to customers in South, West and Central Texas.

### — ABOUT WETT —

WETT is owned by two worldwide leaders in infrastructure portfolio investment and management. WETT built and is currently operating high-voltage transmission lines in West Texas as part of a state-wide program to deliver clean, renewable energy throughout the state. WETT has a stellar operating history. It owns and operates 383 miles of 345-kV transmission lines and six substations (with two more under construction) in eleven counties, extending from Lubbock to just north of San Angelo and from Odessa to Snyder and spanning approximately 20,000 square miles of territory. With a diverse and highly engaged team, we efficiently plan, construct and operate reliable and sustainable transmission infrastructure for Texans.

# - CONTACT -

For more information about the North McCamey to Bearkat 345-kV Transmission Line Project, visit <u>www.lcra.org/NMBKT</u> or <u>www.windenergyoftexas.com/regulatory</u>

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