

EEPlus, Inc. Large Load Consulting Services

**Prepared for the
NBU Board of Trustees**

January 29, 2026



NBU® **NEW BRAUNFELS**
UTILITIES

Board Decision Summary

- **Action Requested:** Approve a Professional Services Agreement with EEPlus, Inc. for consulting services.
- **Why Now:**
 - Rapid growth in large load requests across ERCOT
 - Increasing regulatory complexity (ERCOT, PUCT, SB6)
 - Need to proactively manage financial, reliability, and compliance risks
- **Key Contract Terms:**
 - Initial one-year term with four optional one-year renewals
 - Not-to-exceed (NTE) \$1.0 million over the total life of the contract
 - Services provided on an as-needed basis

Mission

Strengthening our community by providing resilient essential services

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Vision

Be a trusted community partner dedicated to excellence in service

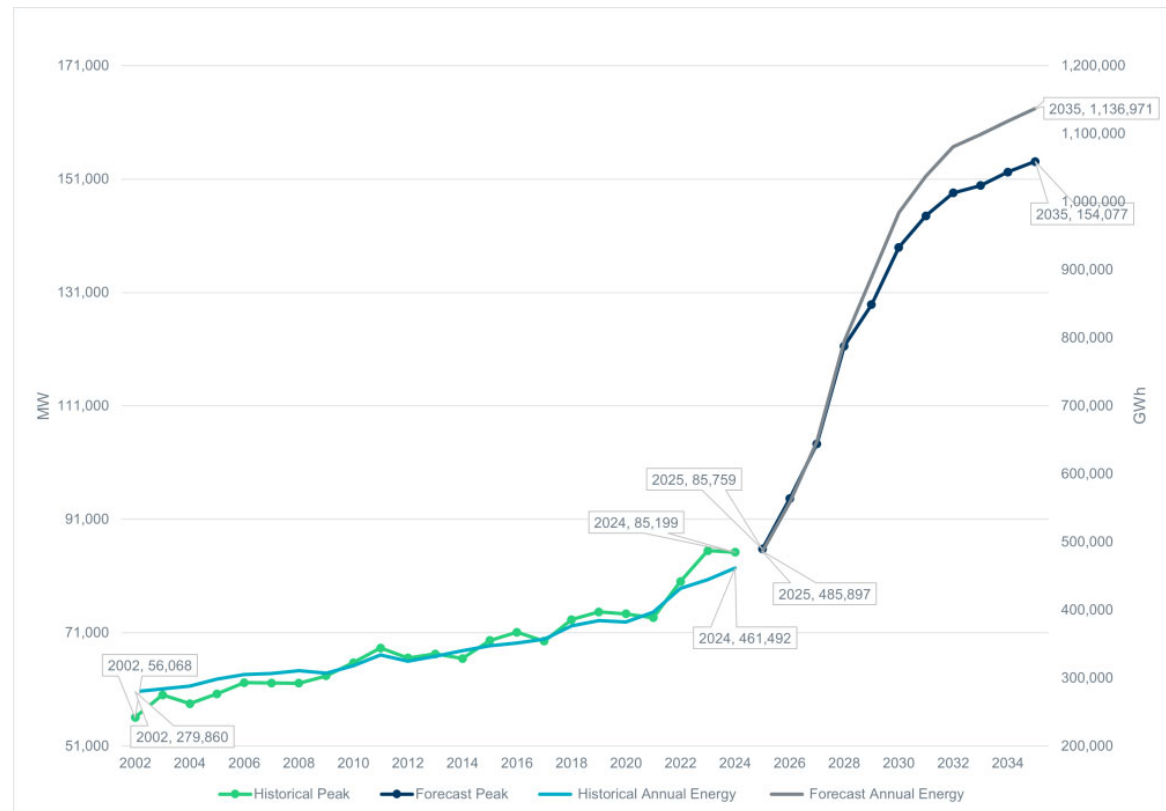
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Core Values

Safety, Team, Integrity, Culture, and Stewardship

What is happening across ERCOT?

- Current demand on Texas' power grid reached a record 85,508 MW in August 2023.
- ERCOT is estimating that demand could surpass 150,000 MW in 2035.
- The EIA anticipates that ERCOT's electric demand will grow by 14% in 2026 alone, when some large data centers and cryptocurrency mining facilities become operational.
- Texas is attractive to large companies because of its diverse energy resources and relatively limited regulations compared to other states.



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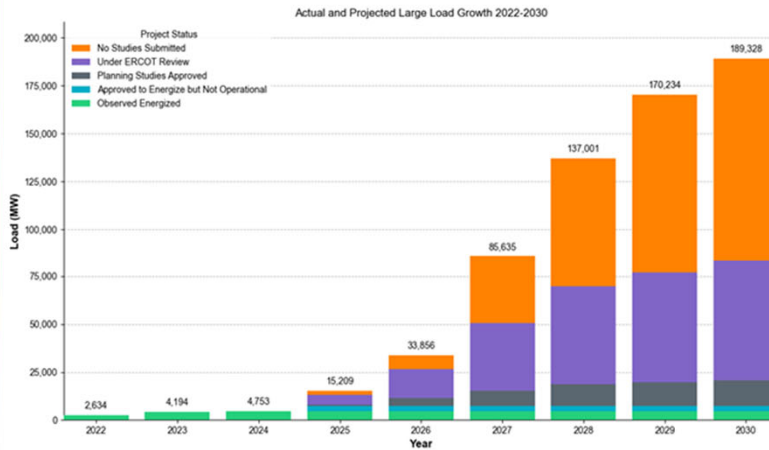
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What is happening across ERCOT?

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Item 16.2

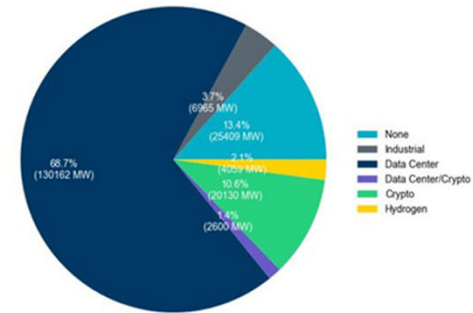
Large Load Interconnection Queue (as of September 2, 2025)



Project Status	2022	2023	2024	2025	2026	2027	2028	2029	2030
No Studies Submitted	0	0	0	2,072	7,208	35,054	67,332	93,400	106,267
Under ERCOT Review	0	0	0	5,192	15,062	35,198	50,966	56,981	62,388
Planning Studies Approved	0	0	0	443	4,084	7,881	11,201	12,351	13,171
Approved to Energize but Not Operational	0	83	137	2,886	2,886	2,886	2,886	2,886	2,886
Observed Energized	2,634	4,111	4,616	4,616	4,616	4,616	4,616	4,616	4,616
Total (MW)	2,634	4,194	4,753	15,209	33,856	85,635	137,001	170,234	189,328



Large Loads by Project Type



Key Takeaway: ERCOT is tracking approximately 189 GW of Large Loads seeking interconnection (compared to 56 GW in September 2024) of which ~69% are data centers.

ERCOT is an active participant in the PUC process to implement Senate Bill 6 legislation.

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Other Regulatory Happenings

- Additionally, Senate Bill 6 (“SB6”) from the 89th Texas Legislature poses significant new legislation to navigate.
- Under this new law:
 - Large electric customers are required to supply backup power that can be used during grid emergencies.
 - Customers who use at least 75 MW of power, including data centers and some industrial projects, will be required to switch to backup generators to reduce strain on the grid in extreme conditions.
 - Large customers must also install equipment allowing the state to remotely disconnect power from their facilities, known as a “kill switch” provision.
- ERCOT is currently working with the PUCT to create rules to implement SB6, which are expected to be finalized in 2026.

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Why is this important to NBU?

- Municipal utilities must proactively manage these requests to prevent grid instability, ensure equitable cost allocation for necessary system upgrades, and maintain compliance with evolving rules from ERCOT and the PUCT.
- New Braunfels Utilities' current internal resources, while expert in day-to-day operations, require specialized, external support to effectively manage the unique engineering, financial, and legal complexities associated with these high-demand projects.
- Given these challenges, management recommends the engagement of a specialized large load consultant.

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Risks of Not Engaging Specialized Support

- Increased risk of underestimating system upgrade costs associated with large load projects
- Potential for inequitable cost shifts to existing customers
- Greater exposure to ERCOT and PUCT compliance risk as rules evolve
- Strain on internal staff resources managing highly complex, non-routine projects

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Steps Taken

- Management has reviewed proposals from several firms specializing in public power and large load integration in Texas. After a thorough review of qualifications and experience, EEPlus has been identified as the most qualified partner due to their proven track record in the ERCOT market and specific expertise in large load regulatory matters.
- EEPlus will provide the necessary expertise to navigate complex interconnection studies, rate design, and long-term planning, thereby protecting the utility's long-term financial stability and reliability while ensuring equitable treatment for all customers.

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EEPlus Services to be Provided to NBU

- Large Load Interconnection Support
- Demand Response Program Support
- General Energy Management Support
- Credit and Risk Analysis of Each Project
- Training Modules for NBU Staff

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Financial Impact & Cost Controls

- No upfront or fixed annual spend; services are utilized only as needed
- Spend driven by actual large load project activity
- Contract includes a cumulative NTE cap and defined scope of services
- Consulting costs are expected to be recoverable through large load project cost allocation and rate mechanisms, where applicable

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Governance and Oversight

- Engagement managed by Energy Risk in coordinating with Power Supply, Engineering, Legal, and Operations
- Work cannot proceed without prior NBU authorization
- Ongoing monitoring of spend against the NTE limit
- Periodic internal review of consultant performance and outcomes

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Action Requested by NBU Board

- Management recommends the Board of Trustees approve the engagement of EEPlus to provide specialized consulting services. This action is crucial to safeguarding the utility's long-term financial stability and reliability amidst the rapid changes in the Texas energy landscape.

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