



Meeting Date: June 25, 2026 **Agenda Type:** Consent Items for Action

From: Justin Green
Director of Electric
Operations and Compliance **Reviewed by:** Justin Green
Director of Electric Operations
and Compliance

Submitted by: Mark Steelman
Chief Operations Officer **Approved by:** Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Transmission Operating Agreement between New Braunfels Utilities and Lower Colorado River Authority Transmission Services Corporation for Transmission Operator Services

BACKGROUND

On April 11, 2011, New Braunfels Utilities (“NBU”) entered into a Transmission Operating Agreement with Lower Colorado River Authority Transmission Services Corporation (“LCRA TSC”) to provide transmission system operational support and compliance services associated with NBU’s electric transmission facilities. On June 26, 2017, NBU and LCRA TSC executed a First Amended and Restated Transmission Operating Agreement (the “2017 Agreement”), which updated and clarified the parties’ respective roles and responsibilities related to transmission operations and compliance obligations.

LCRA TSC serves as NBU’s designated Transmission Operator (“TOP”) and Local Control Center for NBU’s transmission facilities. In this role, LCRA TSC performs transmission system control center functions and assists NBU in meeting applicable Electric Reliability Council of Texas (“ERCOT”) and North American Electric Reliability Corporation (“NERC”) operational requirements.

Since execution of the 2017 Agreement, ERCOT operating requirements, NERC reliability standards, and industry compliance practices have continued to evolve. NBU and LCRA TSC have collaborated to develop a new Transmission Operating Agreement (the “Agreement”) that modernizes and streamlines the existing agreement while maintaining the established operational relationship between the parties.

The Agreement clarifies responsibilities associated with transmission operations, ERCOT and NERC compliance obligations, system operations procedures, audit cooperation, liability provisions, and operational coordination requirements. The Agreement also incorporates LCRA TSC’s current Transmission Operations Handbook framework and aligns contractual language with current regulatory and operational practices.

The Agreement replaces the 2017 Agreement and establishes an initial term of three years with automatic renewal provisions unless terminated in accordance with the terms of the Agreement.

This item is being presented to the Board because Board approval is required prior to execution of the Agreement.

FINANCIAL IMPACT

There is no direct financial impact associated with approval of the Agreement. The Agreement formalizes and updates the existing operational relationship between NBU and LCRA TSC and does not require additional capital expenditures.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

Operational Excellence

EXHIBITS

1. NBU-LCRA Transmission Operating Agreement, with Exhibits