



Recommendation for Action

File #: 20-2754, **Agenda Item #:** 3.

8/27/2020

Posting Language

Authorize execution of an interlocal agreement with the Lower Colorado River Authority and the Lower Colorado River Authority Transmission Services Corporation for construction services regarding jointly owned transmission infrastructure projects for a term of three years, in an amount not to exceed \$3,000,000, and to establish long-term joint ownership and cost responsibilities for maintenance and operation of the facilities.

Lead Department

Austin Energy

Fiscal Note

Funding in the amount of \$308,700 is available in the Fiscal Year 2019-2020 Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

For More Information:

Tom Pierpoint, Vice President, Electric System Engineering and Technical Services (512) 972-9507; Jeff Vice, Director, Local Government Relations (512) 322-6087

Council Committee, Boards and Commission Action:

August 10, 2020- Recommended by the Electric Utility Commission on a 9-0 vote, with Commissioner Wray absent and one vacancy.

Additional Backup Information:

This interlocal agreement will authorize Austin Energy (AE), the Lower Colorado River Authority, and the Lower Colorado River Authority Transmission Services Corporation (the latter two jointly referred to as LCRA) to provide and obtain labor, parts, and materials, at cost, in support of repair, maintenance, upgrades and technical services to each other. This agreement is limited in scope to address multiple transmission line projects on the double-circuit, jointly owned, transmission structures on the Hi-Cross to Turnersville transmission line containing one LCRA transmission circuit ("T143") and one AE transmission circuit from Lytton Springs to Slaughter Lane ("988"). Jointly owned transmission facilities are assets owned by LCRA and AE. The proposed projects include emergency fiber replacement, fiber upgrades, rerouting substation infrastructure and storm hardening measures. The agreement will also address the allocation of ownership and ongoing cost responsibilities for the joint facilities.

AE and LCRA own and operate very similar transmission facilities, lines, rights-of-way and electrical substation facilities. Certain transmission, system control, and substation facilities are located on jointly-owned property, on property located adjacent to similar facilities of the other, and on property or rights-of-way owned by the other. Depending on the ownership and control of the site, one utility may be required to modify its facilities or to perform or assist in the performance of work on the other utility's facilities.

Cooperation between both utilities is essential and avoids redundant expenditures, reduces the respective ratepayer costs, improves the responsiveness of each utility during outages and emergencies, and enhances the reliability of the systems and facilities of both utilities.

Strategic Outcome(s):

Government that Works for All.