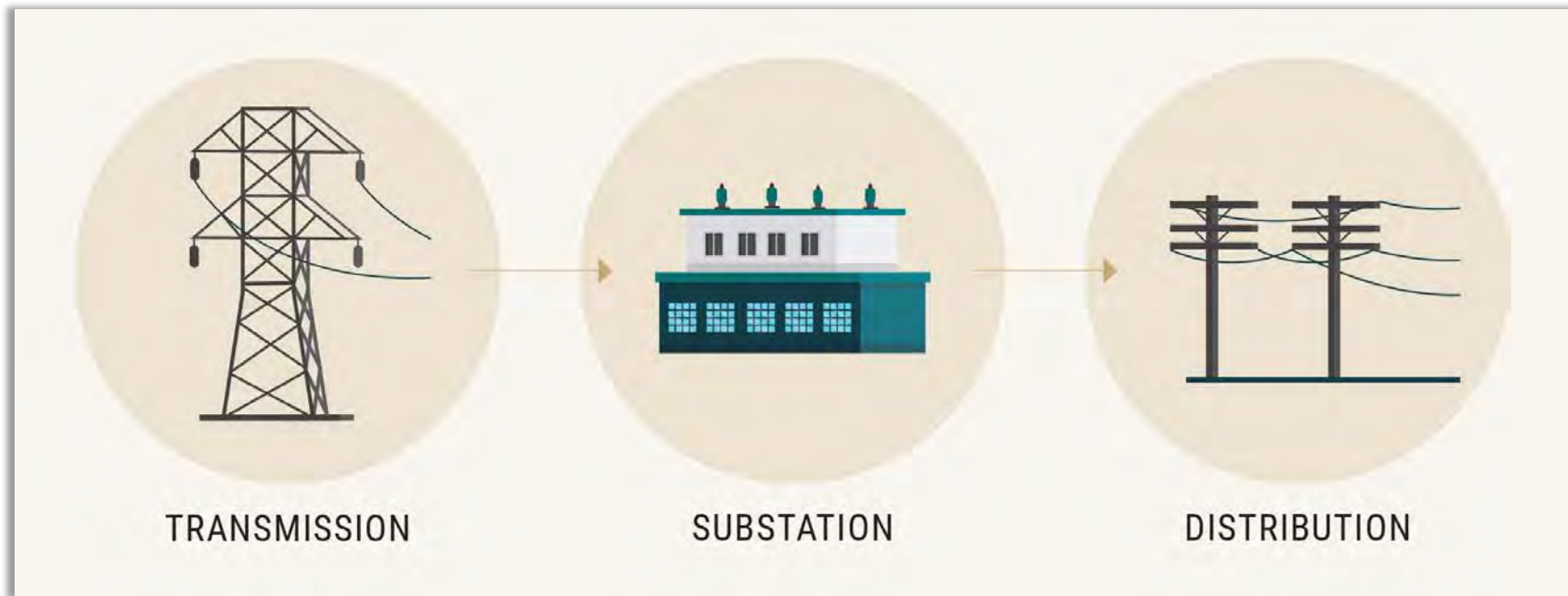




# Cooperative Transmission Operations

Julie C. Parsley | Chief Executive Officer



## Transmission Lines

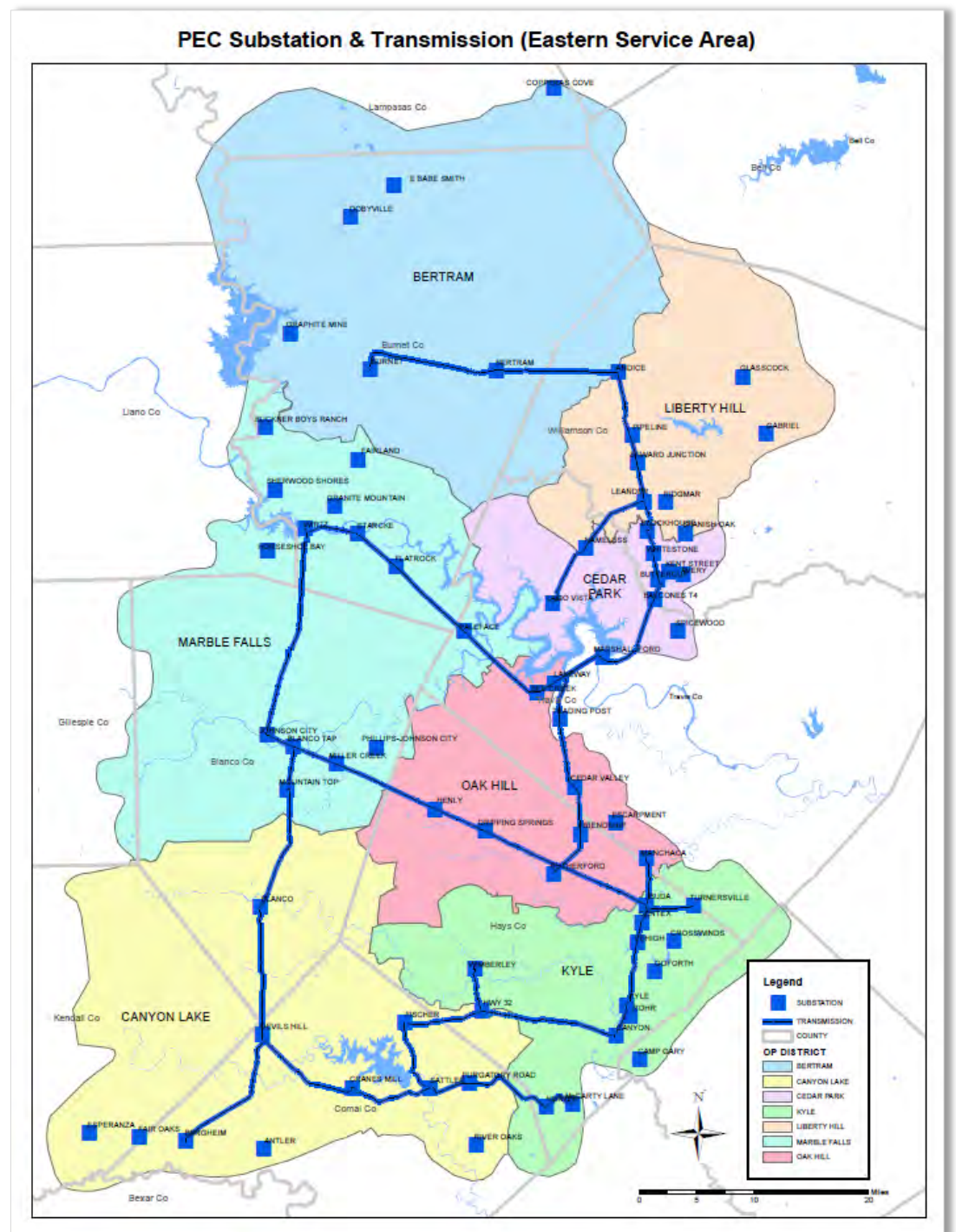
- Move electricity from a power plant or power station to various substations
- High voltage, with current at 69 kV or more
- Energy highway or “backbone” of the ERCOT system and planned on a regional basis
- Costs are reviewed by the Public Utility Commission and recovered from all load in ERCOT

## Distribution Lines

- Move electricity from the substation to the consumer’s end (home or commercial)
- Lower voltage, with current at less than 69 kV
- Serve PEC’s members and PEC establishes the planning criteria
- Costs are reviewed by the PEC Board and paid for by membership through rates

# PEC's Transmission

- PEC owns over 300 miles of transmission lines and all or a portion of 81 substations
- PEC has over \$150 M in net transmission plant, and is forecasted to more than double over the next 5 years primarily due to load growth
- Since 2019, PEC has increased its role in developing transmission assets within the service area while continuing to make efficient use of capacity previously developed and owned by others







# Transmission Operations

- PEC maintains its transmission assets but does not operate them
- Instead, PEC's transmission has been operated by LCRA TSC, including responsibility for associated regulatory and compliance requirements
- PEC's Transmission Operating Agreement with LCRA TSC expires in 2024
- PEC and LCRA TSC are working to transition operations and associated regulatory requirements to PEC

# Member Benefits

- Improved reliability
- Long-term financial benefits for membership
- Having a voice in the evolving ERCOT market





# Member Benefits – Improved Reliability

- Better management of and response to transmission outages
- More direction over transmission maintenance, including routine maintenance planning
- More influence over what transmission is built in PEC's service area



# Member Benefits – Financial Stability

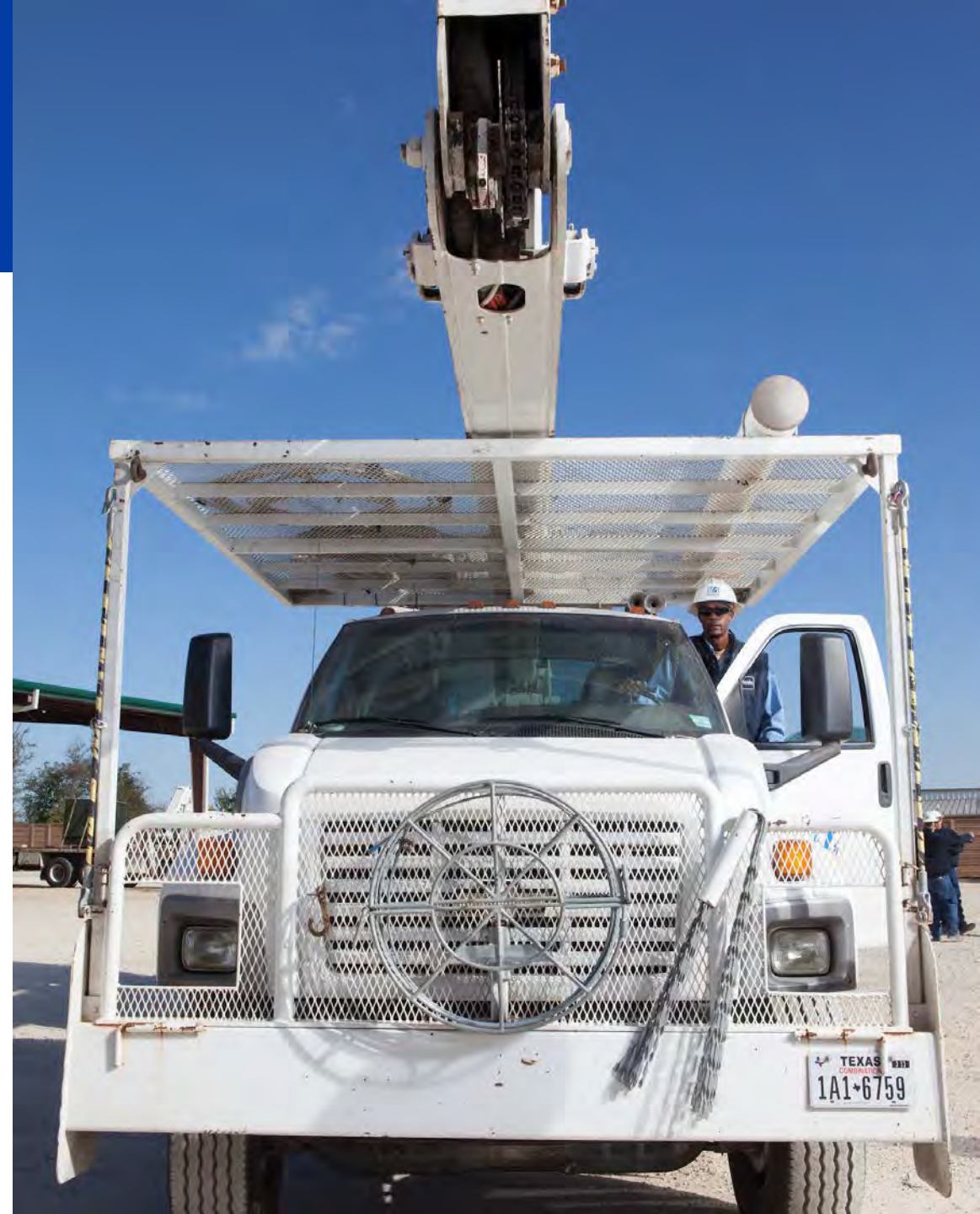


- PEC earns a regulated rate of return on its transmission investment from all the load in ERCOT
- Owning and operating our assets will provide stability
- Earnings on the investments in the transmission business help stabilize costs to the membership.



# Member Benefits – Increased Voice in ERCOT

- Transmission lines are energy highways, and as our own operator, PEC is in the driver's seat
- Will have more say over our portion of the energy highway
- Important as the ERCOT energy market evolves





# Next Steps – Construction of the Transmission Control Center



- PEC must construct the Transmission Control Center
- Selected the Leander area due to high growth and PEC-owned property was well-suited
- Last December, the PEC Board of Directors, Executive Team, and staff celebrated the Control Center groundbreaking





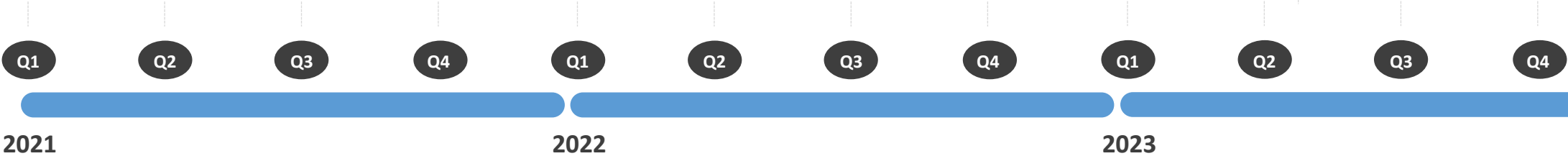
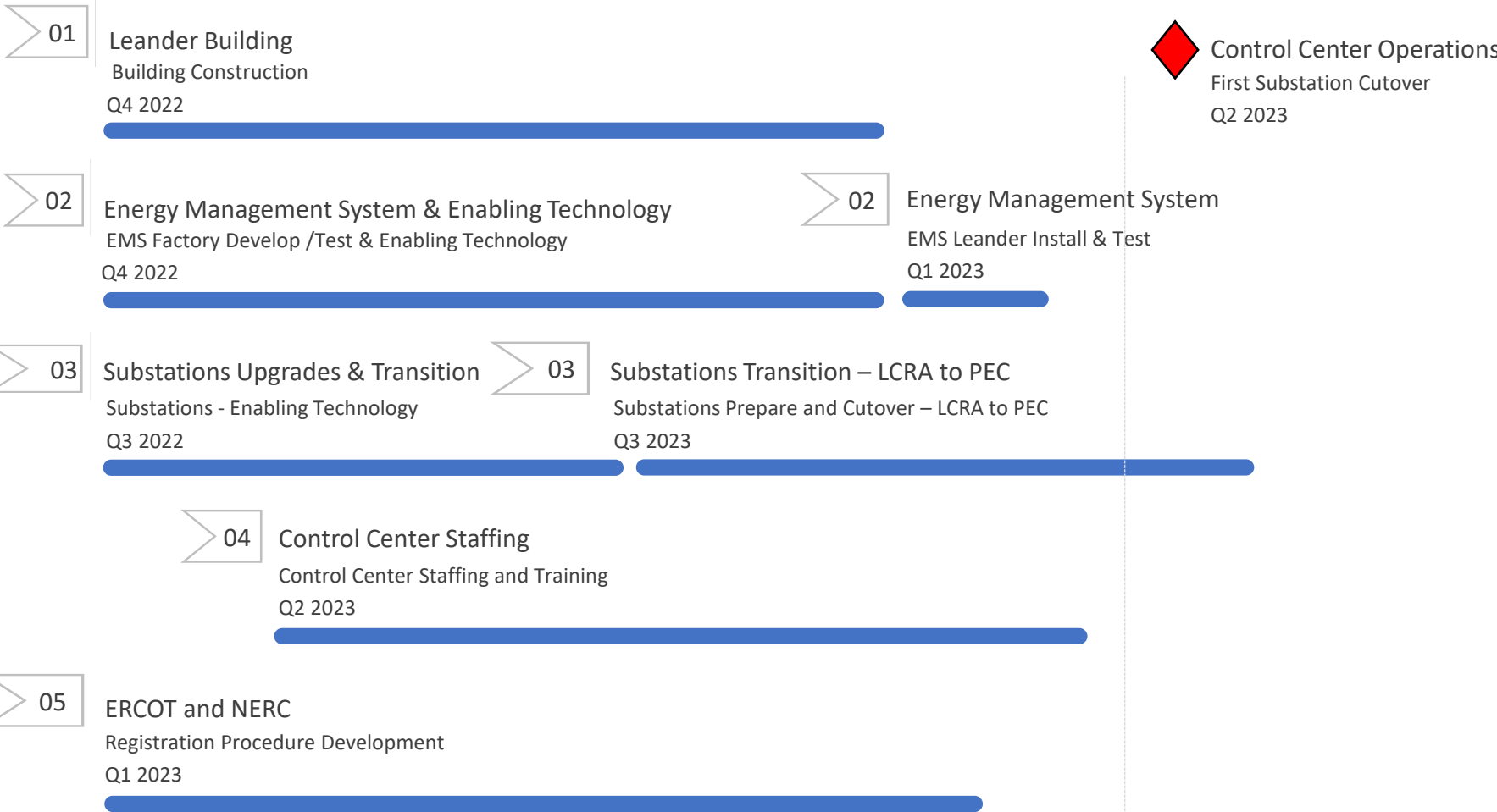
**Coming Soon**



A group of 15 people, including men and women, are standing in a line on a construction site. They are wearing hard hats and a mix of business suits and work clothes. Each person is holding a shovel, suggesting a ground-breaking ceremony. They are positioned in front of a large, flat, sandy area that appears to be a prepared site for construction.



# Transmission Control Center Program Road Map





# State-of-the-Art Facility

- Anticipated completion mid-2023
- Advanced security and technology
- Anticipate 20 full-time employees will work exclusively from new facility, with costs in ERCOT rates
- Cross departmental effort to successfully achieve operations



