

#31802

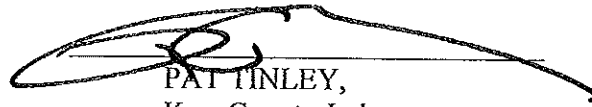
RESOLUTION

RESOLUTION OF KERR COUNTY COMMISSIONERS' COURT REQUESTING THAT THE TEXAS PUBLIC UTILITY COMMISSION (PUC) RE-EVALUATE THE FUNCTIONAL VIABILITY AND ECONOMIC FEASIBILITY OF THE COMPETITIVE RENEWABLE ENERGY ZONES (CREZ) PROJECT AND THAT THE TEXAS PUBLIC UTILITY COMMISSION POSTPONE ANY ACTION ON THIS MATTER UNTIL A TIME THAT SUCH INTERESTS ARE CONFIRMED.

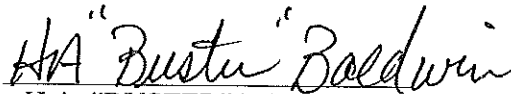
- WHEREAS,** The Kerr County Commissioners' Court recently filed a Resolution, Court Order #31763, which stated its concerns, criteria and opposition related to one of the proposed routes for a Competitive Renewable Energy Zone ("CREZ") Project that the Lower Colorado River Authority Transmission Services Corporation (LCRA) is considering, which will connect the proposed McCamey D Substation to an existing Kendal County Substation, known as the McCamey D – Kendall - Gillespie 345-kilovolt Transmission Line; and
- WHEREAS,** the rationale for implementing the CREZ Project across the state was based upon an Electric Reliability Council of Texas ("ERCOT") report titled *Analysis Transmission Alternatives for Competitive Renewable Energy in Texas*, dated December 2006 (the "Report") and
- WHEREAS,** at the time of the Report, only 2,508 mega watts, or 14.8%, of the 17,000 mega watts of wind generation as needed across the state was actually in service; and
- WHEREAS,** the wind generation facilities constructed since the Report appear to be less productive and more costly to operate and maintain than originally forecast; now
- WHEREAS,** the ERCOT Report is based upon a 10 year horizon due to the fact that a longer view of the system would not provide useful guidance to nearer term decisions because of uncertainties in future generation patterns and the variables that highly influence electric load growth such as population trends, electricity prices, economic conditions, transmission technology, and the trend towards greater efficiency for devices that use electricity; and
- WHEREAS,** because of the time constraints in preparing the Report, it is not definitive on the costs involved in providing transmission services; and
- WHEREAS,** significant issues related to adding new wind generation in West Texas were not addressed including ancillary services costs and the impacts in dynamic response on the electric system; and
- WHEREAS,** the primary purpose of the CREZ Project is the PUC's response to a public mandate to deliver renewable power to the consumer in the most cost effective manner; and
- WHEREAS,** at present, there is insufficient analysis to determine that the CREZ Project is capable of meeting the PUC's mandate as specified above.

NOW, THEREFORE, BE IT RESOLVED, that on this day, the 13th of July 2010, Kerr County Commissioners' Court urges the PUC re-evaluate the functional viability and economic feasibility of the Competitive Renewable Energy Zones (CREZ) Project and that the PUC postpone any action on submissions related to the proposed McCamey D Substation to an existing Kendal County Substation, known as the McCamey D – Kendall - Gillespie 345-kilovolt Transmission Line until the functional viability and economic feasibility are confirmed.

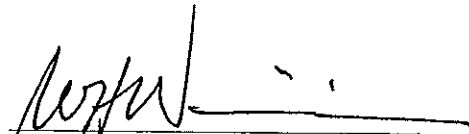
Approved this 13th day of July, 2010.



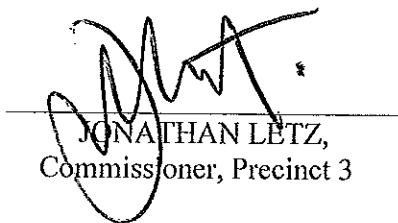
PAT TINLEY,
Kerr County Judge




H.A. "BUSTER" BALDWIN,
Commissioner, Precinct 1



WILLIAM H. WILLIAMS,
Commissioner, Precinct 2



JONATHAN LETZ,
Commissioner, Precinct 3



BRUCE OEHLER,
Commissioner, Precinct 4