

**Save Our Scenic Hill Country Environment, Inc.**

**Annual Report on Operations**

**November 1, 2022- October 31, 2023**

Save Our Scenic Hill Country Environment (SOSHCE) continued to monitor renewables and transmission developments and to take related actions. **We continue to strongly believe that industrial wind and solar energy development and the directly related transmission system additions do not make sense in Gillespie and surrounding counties.**

In November of 2023, SOSHCE discovered that a potential 150MW solar farm and 150MW battery facility is being considered by a Singapore affiliated developer on more than 1,000 acres approximately 5 miles northeast of Fredericksburg. A Solar Lease Memorandum was entered into between a group of land owners and Pivot Power Projects. The property is accessed off Highway 16 North via Clear Springs Rd and extends northwest to eventually to touch a 138 KV powerline in its northwest corner. Efforts are underway to obtain more information and to decide on possible actions.

SOSHCE continues to monitor the possible development of a 149MW battery storage facility near Harper. This is in addition to potential ~100MW battery storage facilities in Kerr and Kendall counties.

SOSHCE also continues to respond to inquiries from landowners in other counties. These are related to two possible wind farm projects in Kimble County and a recently announced massive 280,000+ acre industrial wind, solar and hydrogen project in the Sonora/Eldorado area.

The accelerated proliferation of renewables projects continues to be driven by the “Inflation Reduction Act” that was enacted by the Biden Administration in 2022. The act included \$369 billion for “energy security and climate change investment”. Among a number of additional incentives for renewables, it significantly expanded the federal Production Tax Credit (PTC) for industrial wind and the federal Investment Tax Credit (ITC) for solar. The PTC and ITC were effectively extended through at least 2032.

After a great deal of hype following Winter Storm URI in 2021, state renewables-related legislative action in the 2023 session was limited. A related constitutional amendment was approved that establishes a taxpayer funded Texas Energy Fund. The fund provides low interest loans to new “dispatchable” electric generation facilities. Electric generators that execute grid transmission line interconnection agreements with ERCOT after 2026 will be required to meet certain to be defined performance standards or pay a fine. In addition, generators will be required to pay interconnection costs above a to be defined standard cost.

One positive development was that the expired Chapter 313 school property tax abatement program was replaced with a new program that excludes renewables. The impact on renewables projects is

likely to be limited as those incentives were very small relative to the federal incentives and as the projects can still apply for county tax abatements.

Unlike Louisiana, there were no bids for federal wind farm leases off the coast of Texas.

For transmission developments, we continue to monitor the monthly ERCOT Regional Planning Group (RPG) meetings, the monthly Generator Interconnection Studies reports, the annual Transmission Project and Information Tracking report, the annual RPG Regional Transmission Plan, the annual Constraints and Needs report and the bi-annual Long-Term System Assessment.

ERCOT data indicates that the design capacity of the \$6.9 billion CREZ transmission additions has been significantly exceeded and that the resulting renewables generation curtailment will continue to increase. Identification of potential transmission line improvements has been on hold pending development of new economic criteria.

The one active larger transmission project in the area is the upgrade of the 69kV transmission line from Fredericksburg to Harper to 138-kV with completion in June 2024.

Other area transmission projects include storm hardening, overhauling and upgrading of selected circuits.

SOSHCE activities and key developments will be communicated to members and others at the November 30, 2023 Annual Membership meeting.

We will continue to monitor key renewable energy-related developments in the coming year and will be prepared to become more actively engaged as appropriate.