



Lake Belton Water Plant Power Resilience Project Feasibility - Update

March 22, 2022

CONFIDENTIAL

Agenda

1. Status
2. Planned Location
3. Cost Estimates – Average of Proposals
4. Financing Options
5. Next Steps

Status

- RFP for 10,000 KW +/- of backup power capacity was posted on 1/14/22
- Site walk through and pre-proposal conference was conducted on 2/11/22
- 5 developers present at walk through
- 3 developers submitted proposals on 3/11/22
- All 3 are considered qualified
- Proposals include options for both emergency only and non-emergency engines were received
- Proposals include options for both diesel and natural gas fuel sources
- Planned location for the generators appears to be viable
- Costs proposed appear to be in line or slightly less than our prior estimates
- Economic value of 4CP avoidance, demand response and economic response appears to be higher than our estimates
- Anticipate that review team will select finalist(s) before the end of March



Planned Location



Cost Estimates – Average of Proposals

Attribute	Tier 2 Diesel	Tier 4F Diesel	Natural Gas
Installed Cost (\$K)	\$7,000 to \$8,000	\$9,000 to \$10,000	\$9,500 to \$10,500
Gas Line Extension (\$K)	N/A	N/A	TBD
100 Hour Fuel Storage	TBD	TBD	N/A
Anticipated Value of 4CP Cost Avoidance (\$K per year)	N/A	\$140	
Anticipated Value of Demand Response		\$400	
Anticipated Value of Economic Response		\$310	



Financing Options

- 2 of the developers have proposed financed options that are essentially operating lease structures
- These would all lower Bell County WCID1's upfront capital outlay (in some cases to \$0), but would involve 15 to 20 year operating leases
- Need to consider "end of term" considerations – most include an option to purchase at "fair market value"
- The financed options proposed will be evaluated by the review team



Next Steps

- Review team selects finalist(s)
- Working with Atmos and third-party developers on cost of gas line extension
- Negotiations and further Q&A with selected finalist(s)
- Contract negotiations with finalist
- Board review/approval



Q&A

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