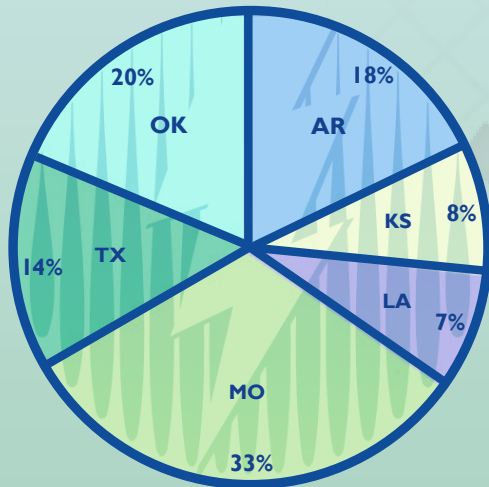


TEXAS FACTS

How Federal Hydropower Serves Texas

- There are approximately 2,920,700 consumers served in all areas of the state.
- \$103,000,500 in SWPA customer funds are committed to Federal hydropower infrastructure in Texas.
- SWPA's Texas customers belong to organizations that advocate for Federal hydropower. The Southwestern Power Resources Association (SPRA) is the largest organization solely dedicated to representing SWPA's customers, working on their behalf to ensure that the benefits of SWPA Federal power remain in the state.
- SPRA works in conjunction with SWPA, the American Public Power Association, the National Rural Electric Cooperative Association, and statewide public power organizations to keep electric rates low for Texas consumers.
- Texas lies within the footprint of three Regional Transmission Organizations, or RTOs: the Electric Reliability Council of Texas (ERCOT), the Southwest Power Pool (SPP), and the Midcontinent Independent System Operator (MISO). SWPA works with all three to keep electricity reliable for Texas and the region."

SWPA Federal Power by State:



SWPA CUSTOMERS IN TEXAS

Cooperatives:

Brazos Electric Power Cooperative, Inc. (Waco)

- Bartlett (Bartlett)
- Belfalls (Rosebud)
- Comanche County (Comanche)
- Cooke County (Muenster)
- Denton County (Corinth)
- Fort Belknap (Olney)
- Hamilton County (Hamilton)
- HILCO (Itasca)
- J-A-C (Bluegrove)
- McLennan County
- Mid-South Synergy (Navasota)
- Navarro County (Corsicana)
- Navasota Valley (Franklin)
- South Plains (Lubbock)
- Tri-County (Azle)
- United (Cleburne)
- Wise (Decatur)

Northeast Texas Electric Cooperative, Inc. (Longview)

- Bowie-Cass (Douglassville)
- Deep East Texas (Garrison)
- Panola-Harrison (Marshall)
- Rusk County (Henderson)
- Upshur Rural (Gilmer)
- Wood County (Quitman)

Rayburn Country Electric Cooperative, Inc. (Rockwall)

- Fannin County (Bonham)
- Farmers (Greenville)
- Grayson-Collin (Van Alstyne)
- Lamar County (Paris)
- Trinity Valley (Kaufman)

Sam Rayburn Dam Electric Cooperative, Inc. (Nacogdoches)

- Houston County (Crockett)
- Sam Houston (Livingston)
- Jasper-Newton (Kirbyville)

Sam Rayburn Municipal Power Agency (Liberty)

- Jasper (Jasper)
- Liberty (Liberty)
- Livingston (Livingston)

Tex-La Electric Cooperative of Texas, Inc. (Nacogdoches)

- Cherokee County (Rusk)



For more information please visit our website:
www.swpa.gov

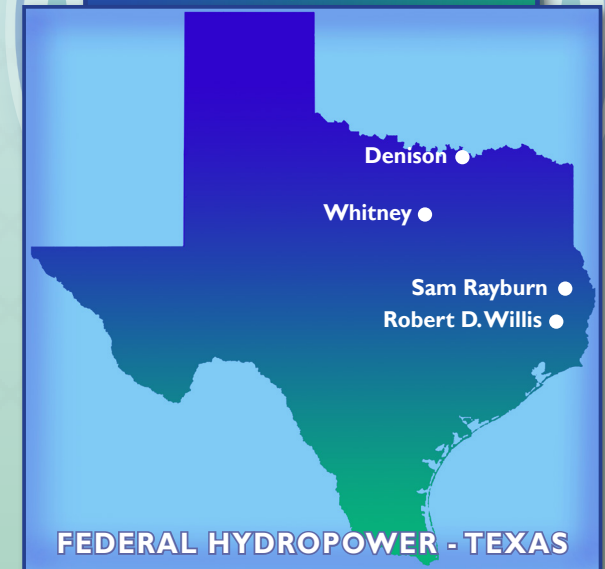
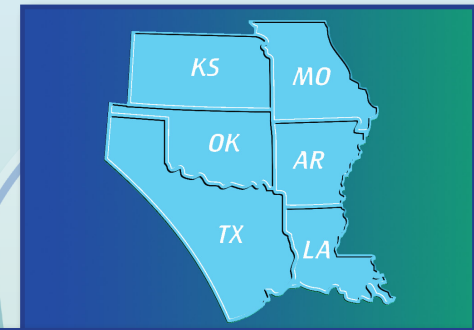
Revised: September 2019

Southwestern Power Administration FEDERAL HYDROPOWER

• TEXAS •



Southwestern Power Administration (SWPA) partners with the U.S. Army Corps of Engineers (Corps) to market an average of 5.6 billion kilowatt-hours of energy annually within a six-state region from interconnected Federal hydropower projects, including four in Texas. To deliver the energy to its customers, SWPA owns and operates high-voltage transmission lines, substations, and numerous communications sites located throughout the region.



ISSUES FOR AWARENESS

Competitiveness and Sustainability - Low natural gas prices and the growth of other renewable energy resources have created a competitive energy market. Existing large hydropower is not considered a renewable resource in every state, which devalues it in comparison to other renewables.

Competing Uses for Water - River operation constraints and reservoir storage changes can negatively impact Federal hydropower. SWPA is working to make sure hydropower and SWPA's ratepayers are fully compensated for any loss to the hydropower benefit due to reservoir storage reallocations for municipal and industrial water supply and other uses.

Funding Certainty and Planning Flexibility - SWPA must have access to funds when needed to plan for and meet daily contractual commitments in the dynamic energy environment. A lack of funding flexibility hinders SWPA in meeting its obligations to its customers during times of drought and low water conditions. It also elevates the risk for unplanned outages and increased costs at the hydropower plants due to lack of funding of critical infrastructure projects.



Whitney Dam was fully rehabilitated using \$32 million in customer funding, resulting in an uprate of 13 MW.



BENEFITS OF FEDERAL HYDROPOWER

Rural Development - Long-term, affordable Federal hydropower creates jobs, fuels growth, and fosters economic development in the state and in the region.

Energy Portfolio Diversity - Hydropower is a renewable, non-carbon emitting energy resource. It works with other energy resources to meet fluctuating electrical demand. Hydropower also offers unique grid stability, flexibility, and emergency recovery capabilities.

Healthy Waterways - SWPA partners with the Corps, state resource agencies, and other public and private entities to keep waterways healthy and viable and to provide continuing economic benefits to the region.

Investment in Infrastructure - SWPA's customer funding program to replace critical infrastructure at the Corps hydropower plants has resulted in nearly one billion dollars of investment, keeping the aging projects running to produce clean, reliable hydropower to serve the Nation.



SWPA PRODUCTS AND SERVICES

Firm Energy - Most SWPA customers receive a set amount of firm energy. When hydropower cannot be generated due to outages, planned maintenance, low water conditions, downstream flooding, etc., SWPA buys replacement power to provide a firm energy product that these customers can rely on. Other customers receive the entire output of specific hydropower plants.

Cost Based Rates - Cost based rates ensure that SWPA recovers all regional hydropower project costs, including costs incurred by both SWPA and the Corps. The U.S. taxpayer pays nothing. Hydropower also pays a portion of shared - or joint-use - costs for flood control and other purposes that would otherwise be funded by taxpayers.

Transmission - SWPA's transmission system, consisting of nearly 1,400 miles of high-voltage transmission line, 25 substations, and multiple communications sites, is used to deliver Federal hydropower to SWPA's customers. Excess transmission capacity is marketed on SWPA's behalf by the Regional Transmission Organization. SWPA's transmission system is an integral part of the regional and National transmission grid.