TMPA Transmission Asset Sale

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About TMPA

- Texas Municipal Power Agency (TMPA)
  - A "Joint Powers Agency" owned by the cities of Denton, Bryan, Greenville and Garland.
  - Created in 1975.
  - Purpose: the generation and sale or exchange of electric energy; or the provision of wholesale transmission service.
  - Generation Assets - Sold the Gibbons Creek Steam Electric Station and all generation assets to a private party in January 2021.
  - Mine Property – Sold approximately 11,000 acres to a private party in December 2021. Approximately 723 acres remain which are currently being marketed for sale. Remaining acreage was never mined, has highway frontage, and is likely valued higher on a per acre basis.
  - Transmission Assets – Possible unbundling and transfer of ownership to each member city. May lead to dissolution of agency if no assets remain.

Transmission Asset Sale

- Background –
  - The City of Bryan owns the Dansby and Bryan East substations, but TMPA owns some assets in these substations. This comingling has created operational, maintenance, and regulatory issues for Bryan and TMPA.
- Asset Purchase Agreement Terms and Conditions –
  - Bryan would purchase TMPA assets at Dansby and Bryan East substations for a net book value of $3,238,620. **(This is the only item for City Council consideration)**
  - TMPA would purchase Bryan assets related to Gibbons Creek infrastructure for a net book value of $2,260,339. In addition, TMPA would reimburse Bryan for the construction of a related transmission project valued at $4,786,000.

Action Required

- Per the Joint Operating Agreement, effective September 1, 2016, Member Cities must approve the sale of transmission assets having a net book value, in the aggregate, in excess of $500,000 in any fiscal year.

- As such, staff recommends approval of the resolution approving the sale of transmission assets to the City of Bryan, Texas.