Austin Energy will be seeking City Council approval of a long term wind power purchase agreement. City Council Resolution No. 20110310-003 requires that the following information be made publically available not less than 30 days before formal public discussion on proposed agreements:

1. **Description of the type of resource, e.g. wind, solar, gas combined cycle etc.**

   Wind

2. **Generation Capacity (Total Megawatts)**

   Approximately 200 MW

3. **Expected technology and cost discussion – fixed, variable and expected cost range**

   The recommended resource is an on-shore wind project with turbines from 1.6MW to 2.4 MW in size. The recommended resource is expected to have a fixed price over the term of the power purchase agreement in the $35-$45/MWh range.

4. **Discussion of how the resource fits into the portfolio, base load, peaking or intermittent.**

   As a wind resource, energy output will be intermittent and vary by time of year and day based on atmospheric conditions. Compared to wind projects in West Texas, the recommended project is expected to produce energy that is more consistent over the course of year and more closely aligned with peak demand due to its location in South Texas and proximity to the coast.

5. **Expected date for energy to be available**

   December 2012

6. **Expected timing and impact to resource plan and affordability goals**

   The recommended project is expected to be online by December 2012. It is intended to help address Resource Plan wind additions slated for 2011 (200MW), 2013 (150 MW) and 2015 (100MW) in conjunction with 291 MW of wind projects recommended as of July 15, 2011. This project is expected to support achievement of affordability goals since it offers pricing that is 1) expected to maintain or slightly lower forecasted energy costs and 2) will not increase in price over time.

7. **Update on existing pending resource acquisitions**

   Austin Energy provided notice on July 15, 2011 of its intent to recommend 291 MW of wind resources under two Power Purchase Agreements. The Austin City Council is expected to consider those recommendations at its August 18th and August 25th 2011 meetings.

The 30 MW Webberville Solar Project is under construction and expected to commence operation by December 2011. The 100 MW Nacogdoches Biomass Project is under construction and expected to commence operation by summer 2012.

8. Current efficiency offsets achieved since 2007

Since 2007, 223 MW of peak demand reduction and 442,555,676 kWh of energy savings have been achieved.

9. Current renewable energy split between Green Choice and fuel charge

The 2011 renewable energy supply is projected to be split 71% GreenChoice and 29% fuel charge.

10. Update on status of federal or state environmental legislation

There is no significant state or federal environmental legislation with potential impacts to the electric utility sector pending or anticipated at this time. In addition, these projects will not be impacted by new emission standards recently announced by the EPA and will support AE's compliance with the new standards.

11. Overview of resource(s) being sought

The focus of this solicitation was to acquire additional utility scale renewable energy resources to help meet Austin Energy's renewable energy goals. The RFP requested proposals for up to 200 MW for wind or solar resources.

The recommended resource is 200 MW located in South Texas near the gulf coast. The project is expected to be online in the fourth quarter of 2012. This resource and the previously recommended wind resources were determined to have the best cost and benefit of the proposals received.

12. Discussion and cost for possible alternatives to the acquisition

As noted in item 3, the recommended project is expected to cost $35-$45/MWh and have fixed pricing over the contract period. Comparable pricing for utility scale solar power is approximately $90-$100/MWh and would generally remain fixed. The primary non-renewable generation alternative would be natural gas based power. Current market pricing for a gas based energy only purchase would be approximately $36-$44/MWh but would not be fixed. The pricing estimates do not reflect differences in resource dispatch characteristics or transmission delivery cost.

13. Impact on affordability and Resource Plan goals - Renewable and energy efficiency targets, carbon, affordability, and bill impacts

The recommended projects support the Resource Plan goal of reaching 35% renewable energy by 2020. This project, in combination with the other recommended projects and previously contracted renewable resources, are expected to raise AE's renewable energy portfolio to approximately 30% once fully operational. As a renewable energy project, this project will not emit carbon dioxide or other air emissions. The recommended project is expected to support achievement of affordability goals since it offers pricing that is 1) expected to maintain or slightly lower forecasted energy costs and 2) do not escalate over time. Based on current projections, the recommended project is expected to have a negligible impact on customer bills.