

**AGENDA**



**Recommendation for Council Action**

Austin City Council	<b>Item ID</b>	25141	<b>Agenda Number</b>	<ITEM_OUTLINE>
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<b>Meeting Date:</b>	6/20/2013	<b>Department:</b>	Austin Energy
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Subject

Authorize negotiation of a power purchase agreement with E.ON Climate and Renewables North America, LLC, for a term of up to 25 years for up to 170 megawatts of wind-generated electricity in an estimated amount of \$15,500,000 per year, for an estimated total contract amount of \$387,500,000.

Amount and Source of Funding

Funding will be provided through Power Supply Adjustment, Fuel Adjustment Charge and GreenChoice® revenue.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

<b>Purchasing Language:</b>	
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<b>Prior Council Action:</b>	
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<b>For More Information:</b>	Jeff Vice, Director, Local Government Relations, 512-322-6087; Pat Sweeney, Director, Energy and Market Operations, 512-322-6292; Cheryl Mele, Chief Operating Officer, 512-322-6062.
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<b>Boards and Commission Action:</b>	To be reviewed by the Electric Utility Commission on June 17, 2013 and by the Resource Management Commission on June 18, 2013.
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<b>MBE / WBE:</b>	
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<b>Related Items:</b>	
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Additional Backup Information

The Austin City Council established a strategic energy policy for Austin Energy through the adoption of Resolutions 030828-38 and 030925-02. These resolutions and the Resource, Generation and Climate Protection Plan call for the development and use of clean energy by Austin Energy and set a goal to supply 35% of its energy from renewable energy sources by December 31, 2020. The recommended project offers Austin Energy competitively priced renewable energy and environmental attributes and the opportunity to continue progress towards its renewable goal.

This contract will provide for the purchase of the full output of an approximately 170 megawatt wind power project to be constructed by E.ON Climate and Renewables North America, LLC, Chicago, IL, and located in Nueces County, Texas. The new wind project is expected online by the end of 2014 and will comprise approximately 100 wind turbines.

This agreement will run for a term of up to 25 years and will not require Austin Energy to invest any funds in the construction, operation, or maintenance of the project during that period. The agreement will provide for a fixed price of between \$23 and \$33 per megawatt-hour of energy produced, the quantity of which will vary in accordance with the actual availability of wind resources. Authorization and funding to complete such a purchase will be subject to further Council approval.

#### PRICE ANALYSIS

- a. Adequate competition.
- b. Forty-four new or existing wind projects offered, with a total of 70 different proposal variations.
- c. Proposal provides for a utility scale wind power plant.

#### APPROVAL JUSTIFICATION

- a. Top three evaluated proposals.
- b. The recommended proposer meets the requirements of the Request for Proposal.