



MEMORANDUM

TO: Mayor and Council Members

CC: Marc A. Ott, City Manager

FROM: Larry Weis, General Manager

DATE: May 24, 2013

SUBJECT: Critical Business Need for repair at the Sand Hill Energy Center

ACTION:

As detailed below, and in accordance with City Council-approved purchasing procedures, I am designating as a Critical Business Need of Austin Energy, the immediate repair of the Combined Cycle Unit Heat Recovery Steam Generator. The cost for repairs is estimated at \$668,690. Without the Sand Hill combined cycle unit, Austin Energy is without 307 megawatts of its most efficient and low-emissions, gas-fired generating unit. It is imperative the repair be made as soon as possible, as daily high temperatures and possibly high energy prices quickly approach.

BACKGROUND:

The Heat Recovery Steam Generator is a boiler that uses gas turbine exhaust to produce steam which, in turn, drives the steam turbine. A contractor is required immediately to make repairs and return the unit to service in time for summer peak.

Austin Energy plans to bring this item forward for ratification by City Council. Please let me know if you have any questions. I can be reached at 322-6002.