
AUSTIN ENERGY
INVESTING IN A CLEAN FUTURE
Austin Energy's Resource, Generation and
Climate Protection Plan to 2020 Update
June 4, 2014

INVESTING IN A CLEAN FUTURE

Austin Energy Update to Austin Generation Resource Planning Task Force

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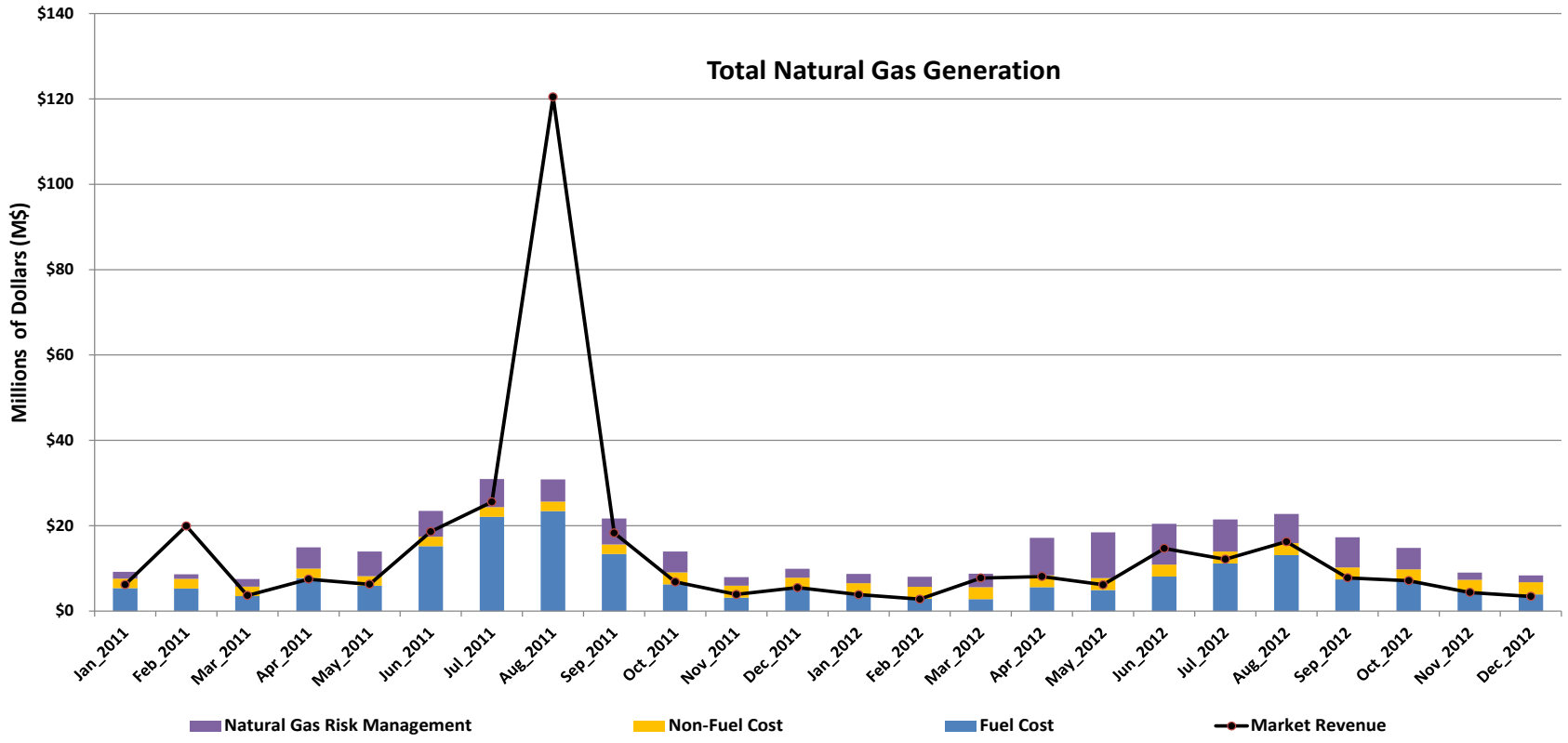
June 4, 2014

Agenda

- Austin Energy All in historical production cost/revenue for Gas with Natural Gas Risk Management
- Back cast of recent Solar contract
- Renewable cost assumptions for Resource Planning

Austin Energy All in Production Cost/Revenue for Gas units



Summary

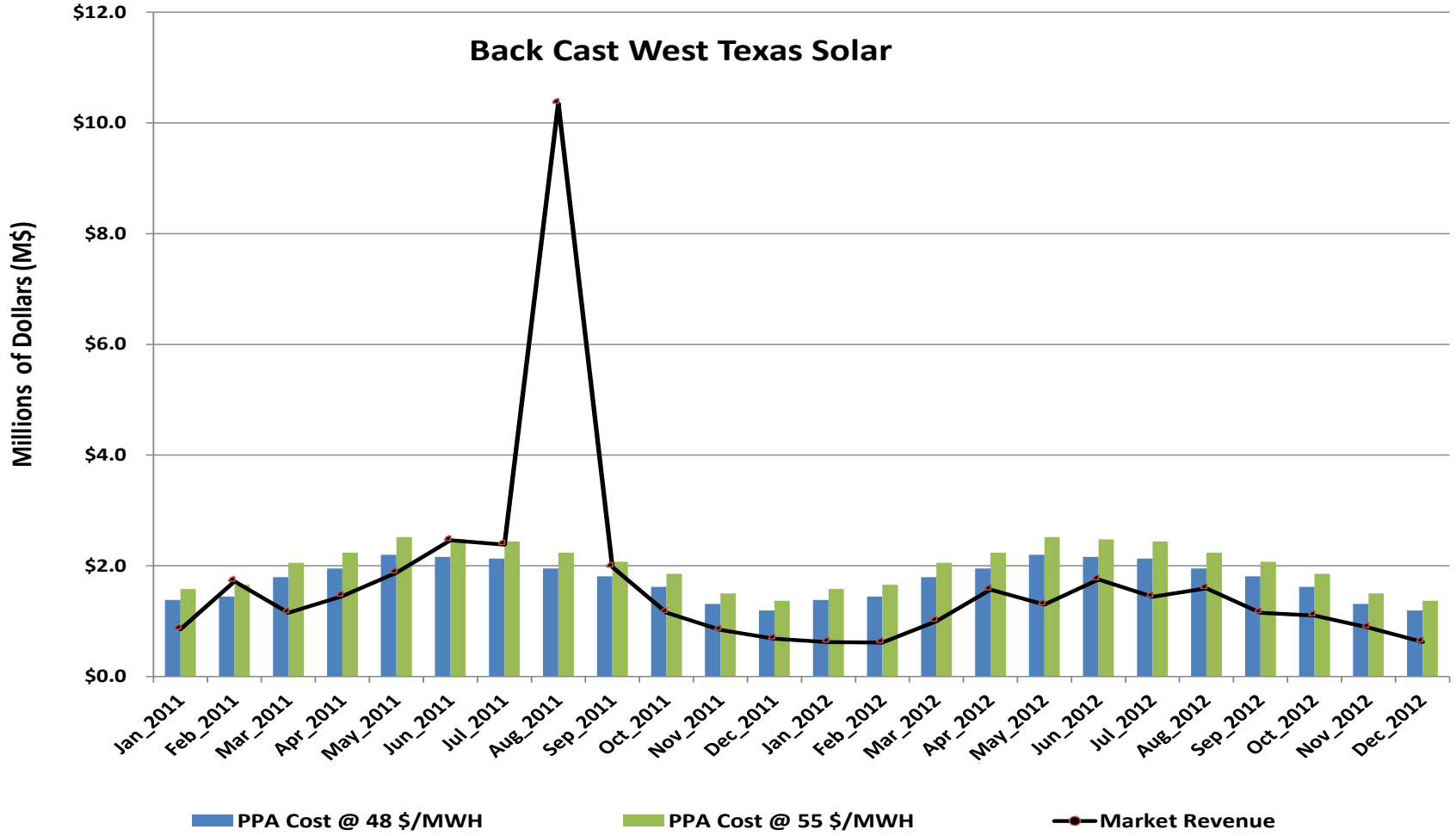
	Generation MWh	Fuel Cost ($Million)	Non-Fuel Cost ($Million)	Total Cost ($Million)	Total Cost ($/MWH)	Total Revenue ($Million)	Total Revenue ($/MWH)	Natural Gas Risk Management Cost ($Million)	Net Revenue/Cost without Risk Management ($Million)	Net Revenue/Cost without Risk Management ($/MWH)	Net Revenue/Cost with Risk Management ($Million)	Net Revenue/Cost with Risk Management ($/MWH)
CY 2011	1,760,176	$116.3	$28.6	$144.8	$82.28	$242.7	$137.87	$48.12	$97.8	$55.59	$49.7	$28.26
CY 2012	1,388,101	$75.0	$33.7	$108.7	$78.32	$94.3	$67.95	$66.61	($14.4)	($10.37)	($81.0)	($58.36)

Note: Risk Management cost is a cost associated with load and has nothing to do with Generation

Back Cast Analysis Assumptions

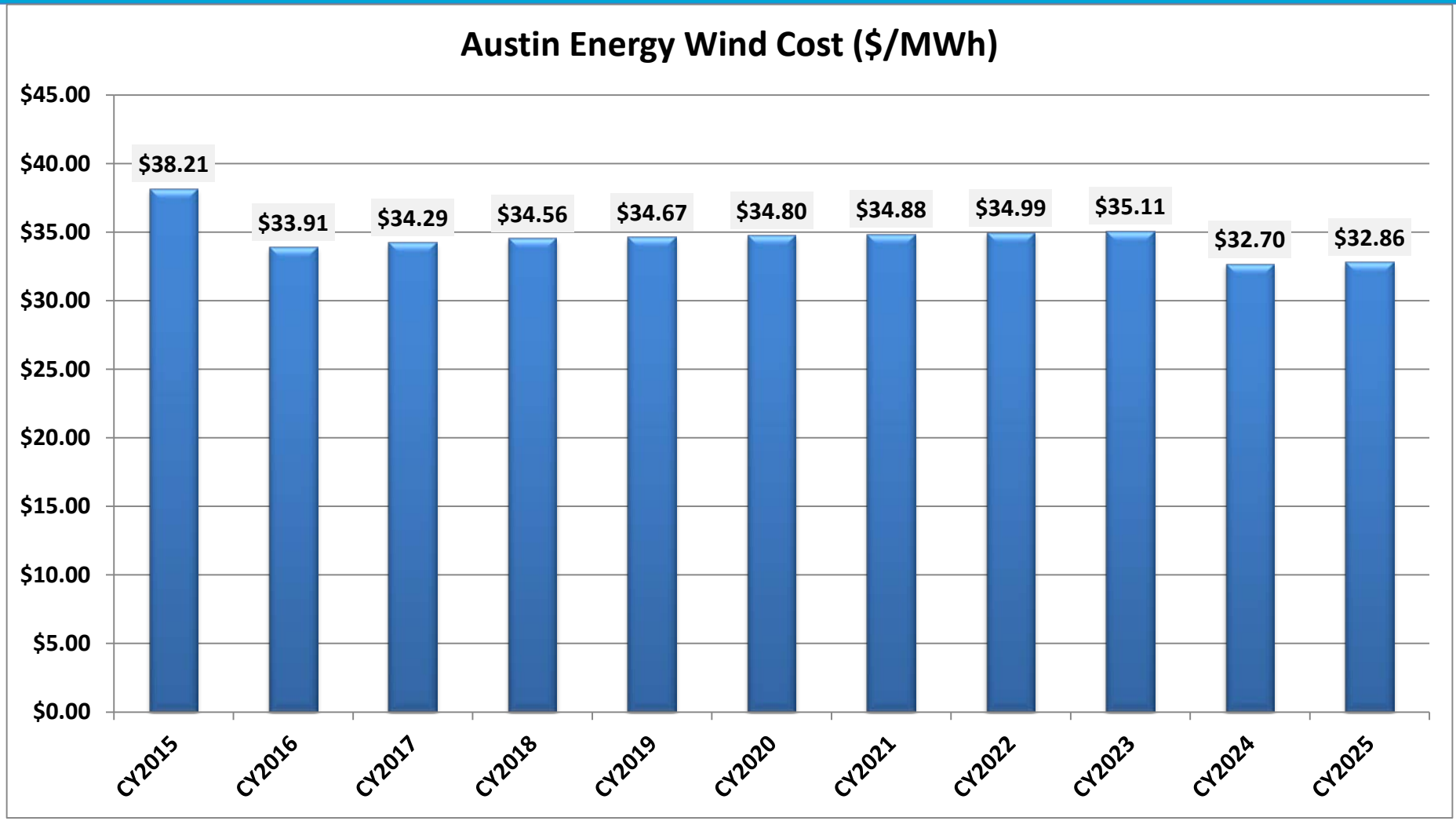
- Based upon hourly profile provided by the proposer
  - Same for both 2011 & 2012
- Revenues are based on AE Load Zone LMP
- Does not include any congestion cost, contract sharing cost etc., in the analysis

Back cast of West Texas Solar (Recent Solar Contract)



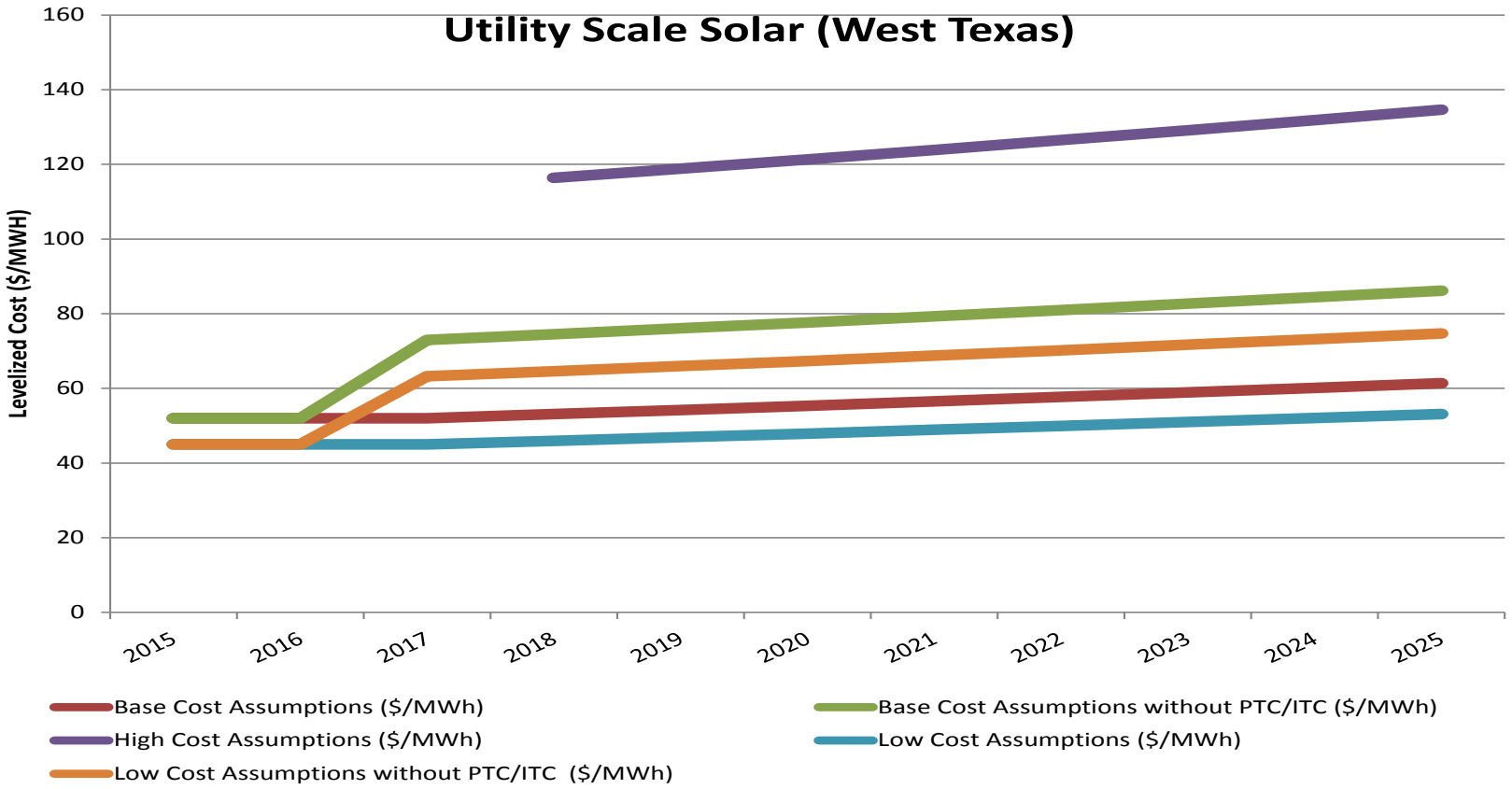
	Generation MWh	PPA Cost @ 48 $/MWH ($Million)	PPA Cost @ 55 $/MWH ($Million)	Total Revenue ($Million)	Net Revenue @ 48/MWH ($ Million)	Net Revenue @ 55/MWH ($ Million)	Net Revenue/Cost @ 48/MWH ($ /MWH)	Net Revenue/Cost @ 55/MWH ($ /MWH)
CY2011	436,235	$20.9	$24.0	$26.9	$6.0	$2.9	$13.66	$6.66
CY 2012	436,235	$20.9	$24.0	$13.6	($7.3)	($10.4)	($16.73)	($23.73)

Projected Production Cost for Wind



- Other costs such as Congestion cost & contract sharing cost are not included here
- Includes all existing wind resources that are currently in commercial operation or become available in the planning period

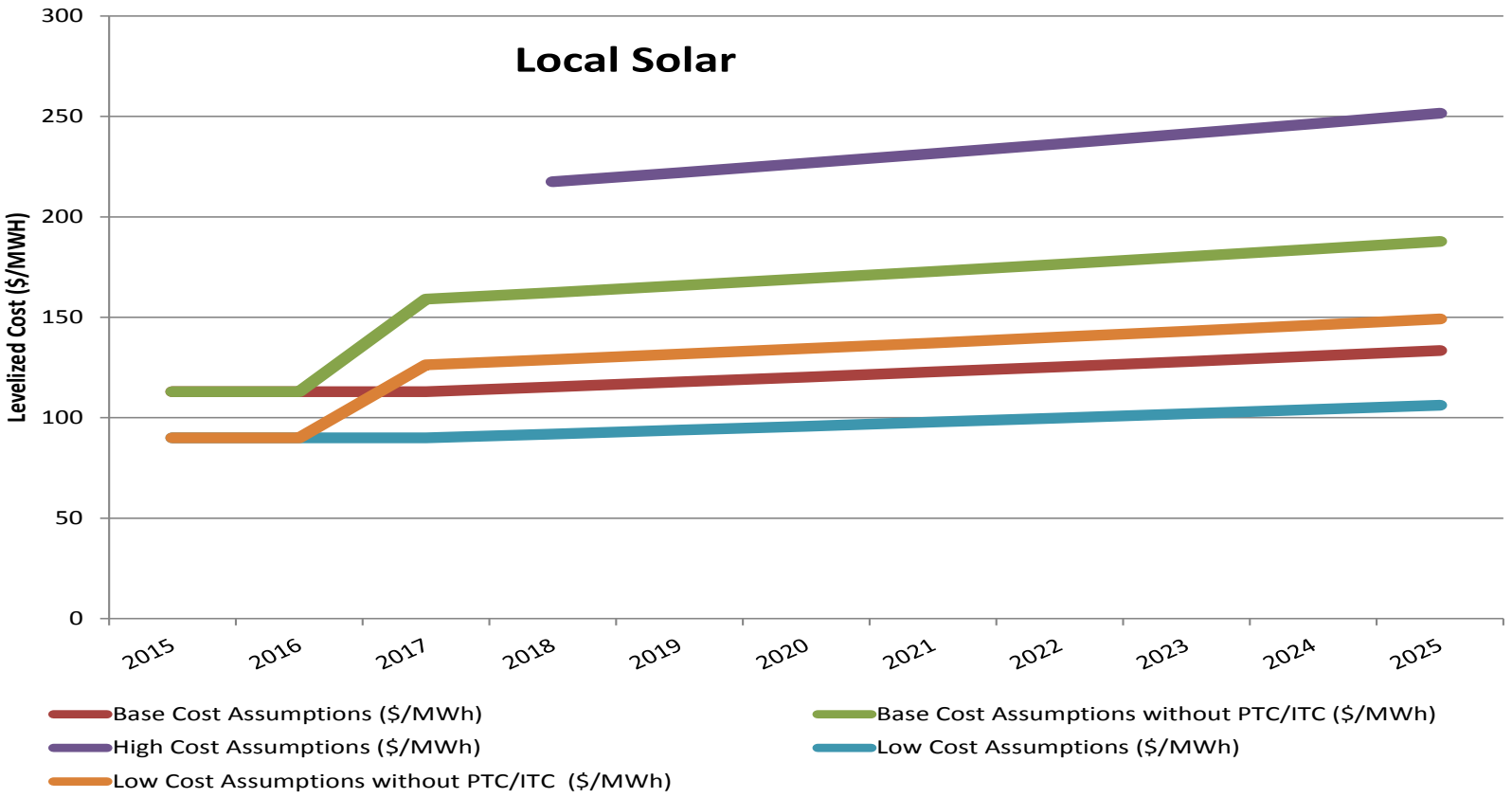
Utility Scale Solar Cost Assumptions for Resource Planning



Note:

1. 2015 cost range with PTC/ITC generally based on recent Austin Energy Bids
2. Solar PV assumed flat through 2017 (i.e. cost decreases at about general inflation rate of 2.1%) then increases at 2.1% general inflation through 2025
3. Wind cost assumptions escalated at general inflation rate of 2.1%
4. High cost assumes higher end of AE bids and the 30% Investment Tax Credit (ITC) and Production Tax Credit (PTC) Expire
5. Low Cost assumption may be lower than actual bids when high market price/high gas price conditions exist.

Local Solar Cost Assumptions for Resource Planning



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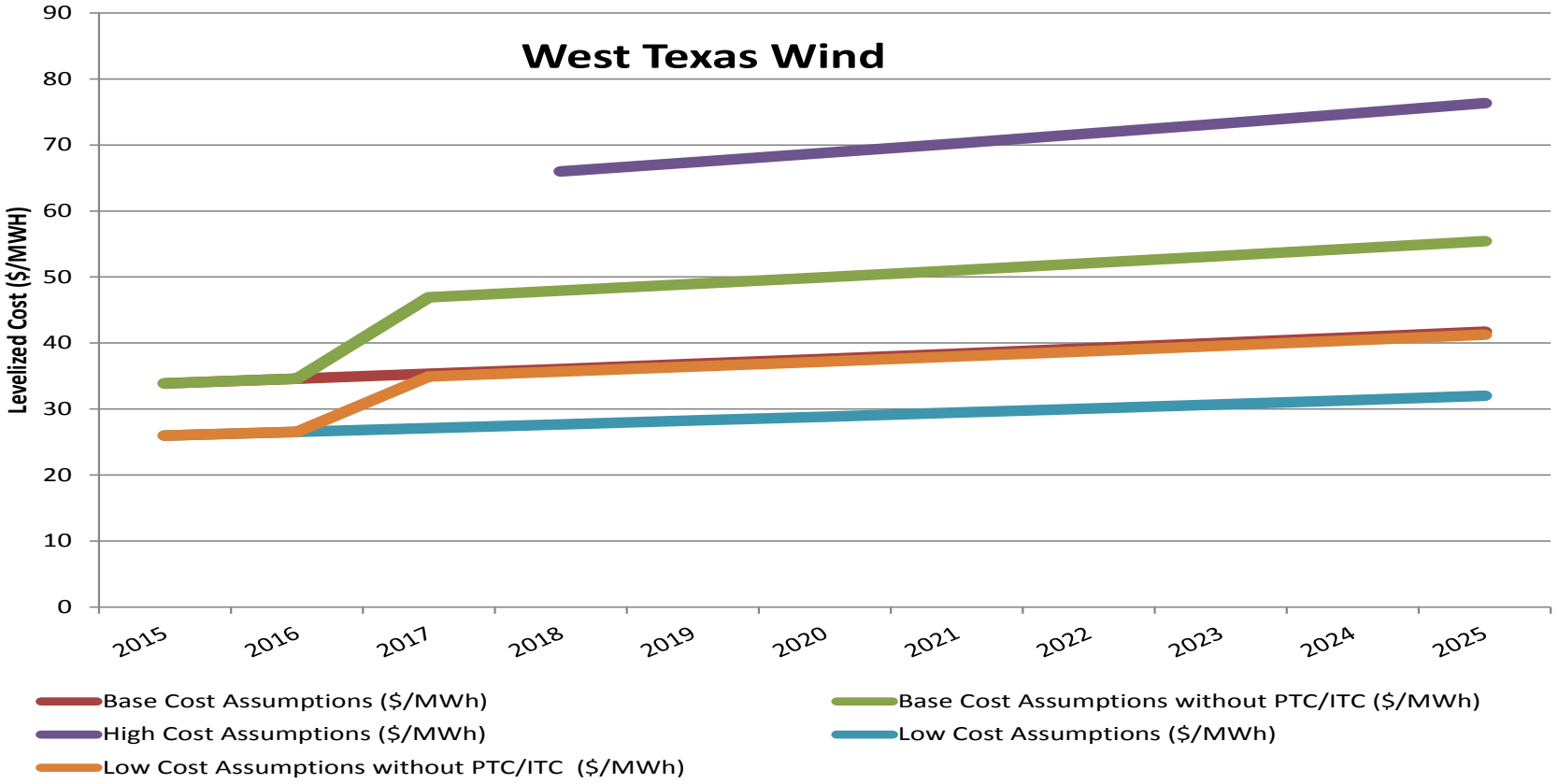
West Texas Wind Cost Assumptions for Resource Planning



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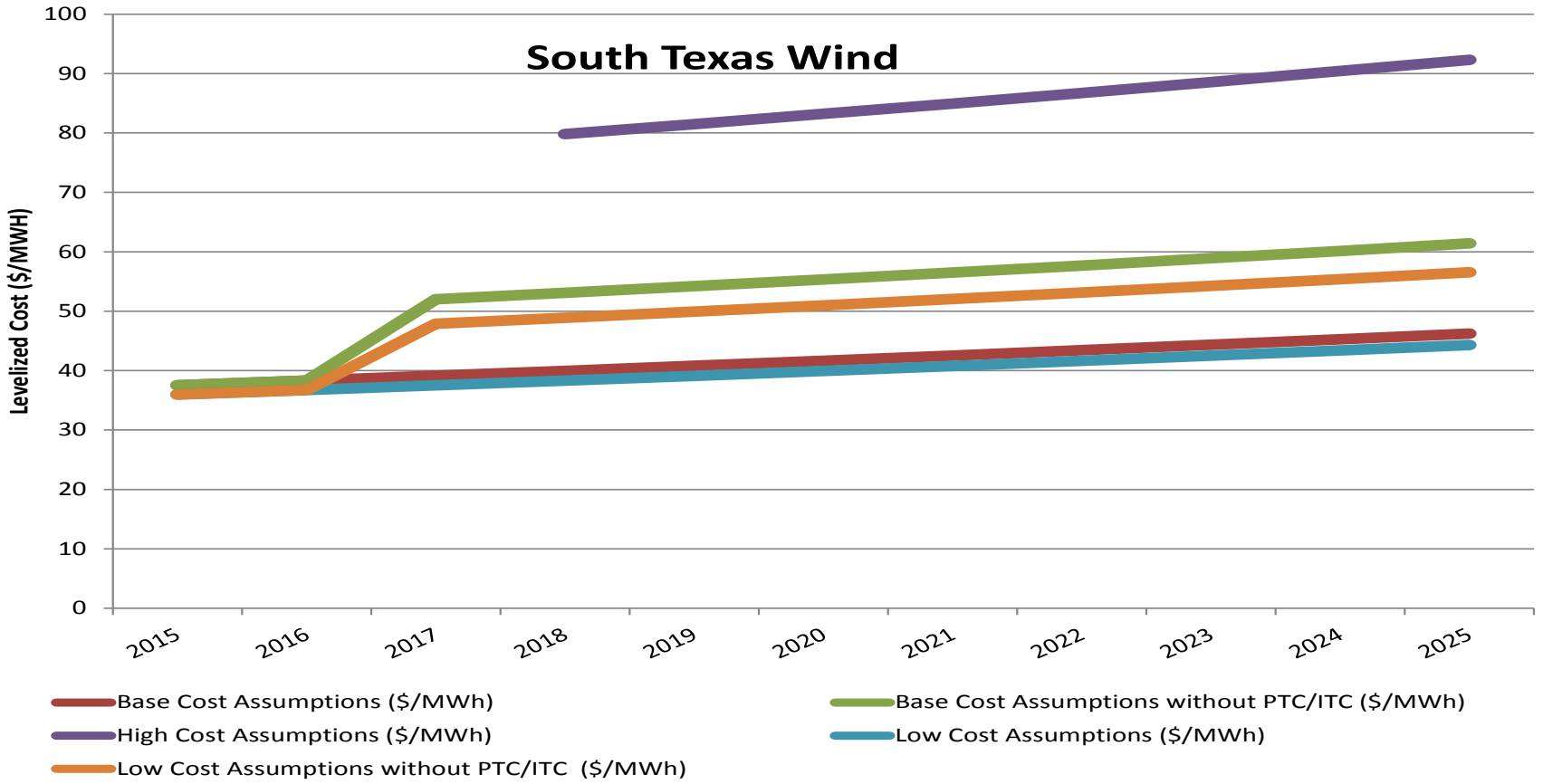
South Texas Wind Cost Assumptions for Resource Planning



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