



**BOARD/COMMISSION RECOMMENDATION**

**Electric Utility Commission**

**Recommendation No. 20153023-009**

**Solar RFP**

**WHEREAS**, the Austin Energy Resource, Generation and Climate Protection Plan to 2025 stated that Austin Energy would act immediately issue a request for proposals for up to 600 megawatts (MW) of utility scale solar to commence the process towards a generation portfolio consisting of 55 percent renewable energy, and to commence a third party economic and environmental review to replace the Decker steam units and Fayette Power Plant (referred to as the “500 MW Gap Study” henceforth); and

**WHEREAS**, in 2014 Austin Energy entered into a power purchase agreement for 150 MW of utility scale solar at less than 5 cents per kilowatt-hour, a price below that of energy produced from Austin Energy’s natural gas fleet; and

**WHEREAS**, the solar market is growing rapidly and technologies are evolving, so current prices may be significantly different from those a year ago; and

**WHEREAS**, the “500 MW Gap Study” may cost the City as much as \$300,000 and such funds should not be wasted on a study that does not incorporate the latest data; and

**WHEREAS**, the federal solar investment tax credit will fall from 30% to 10% of the cost of developing a solar project at the end of 2016 and projects must be operational by the end of 2016 to receive the 30% tax credit; and

**NOW THEREFORE, BE IT RECOMMENDED BY THE ELECTRIC UTILITY COMMISSION OF THE CITY OF AUSTIN:**

That the City Council should wait to approve a consultant to conduct the 500 MW Gap Study until after a request for proposals for up to 600 MW of solar has been issued and the results have been received and reviewed; and

**BE IT FURTHER RECOMMENDED,**

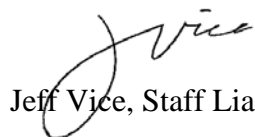
That Austin City Council should direct Austin Energy to issue a request for proposals for 600 MW of solar no later than April 15<sup>th</sup>, 2015 and to use the most competitive price results for 600 MW of solar to determine affordability in the “500 MW Gap Study.”

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Date of Approval: March 23, 2015

Record of the Vote: Approved by the Electric Utility Commission on a vote of 5-1 with Heidebrecht against and Herbert absent.

Attest:

  
Jeff Vice, Staff Liaison