

## BOARD/COMMISSION RECOMMENDATION

## Resource Management Commission

## Recommendation No.

## Future Solar Purchase

**WHEREAS**, on December 11, 2014, City Council adopted the Austin Energy Resource, Generation and Climate Protection Plan to 2025 (2025 Generation Plan), which states the utility will contract or build at least 750 MWs utility-scale non-local solar by 2025, and that as part of this overall goal, a new RFP will be issued by Austin Energy for up to 600 MW of utility-scale solar in 2015 and that Austin Energy will contract for up to 600 Megawatts of utility scale solar “if available and affordable:” and

**WHEREAS**, on June 25, 2015, Austin Energy presented an overview of the solar energy proposal following up on the issue of the RFP directed by council, and almost 8,000 megawatts of projects are proposed, more than 1200 MWs of which are below the last solar contract signed by Austin Energy, at least a portion of which is at prices below \$40 per MWh;

**WHEREAS**, several analyses have indicated that in the medium and long-term additional solar purchases of up to 600 MWs will save ratepayers money as wholesale prices and natural gas prices rise, but there could be a relatively smaller risk for a short-term cost to ratepayers if wholesale market and natural gas prices do not rise in the near-term;

**WHEREAS**, the Electric Utility Commission voted 10-1 to recommend contracting 600 MWs by 2017, some of which could be to owned and operated by Austin Energy;

**WHEREAS**, Austin Energy has indicated that in the future they believe they could build and own their own solar plant to meet at least some of the 600 MW goal that would make the finances work even better for ratepayers;

**NOW THEREFORE BE IT RECOMMENDED BY THE RESOURCE MANAGEMENT COMMISSION**

That pending the vote of the Resource Management Commission and within 30 days, the Austin City Council and City Manager schedule Austin Energy to present to Council their preferred proposal that would meet the 600 MW utility scale solar requirement in the Generation Plan by contracting at least 400 MWs and up to 600 MWs by no later than the end of 2017 utilizing the best combination of bids secured, and considering geographic diversity, and also examining the potential for future ownership, and that further Austin Energy should simultaneously explore owning and operating up to 200 MWs as an alternative to contracting all 600 MWs by no later than the end of 2017.

The Resource Management Commission further directs Austin Energy to consider programs that would lessen any risks on large and small ratepayers from a large solar PPA through the creation of a Solar Green Choice program that would allow residential, commercial and industrial consumers to lock in the price of the PPA secured as an alternative to their fuel or PSA charge.

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