

A G E N D A



Recommendation for Committee Action

Austin Energy Utility Oversight Committee	Item ID	50328	Agenda Number	6.
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Meeting Date:	9/24/2015	Department:	Austin Energy
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Subject

Briefing, discussion and possible committee recommendation on purchases of utility scale solar.

Amount and Source of Funding

Fiscal Note

Purchasing Language:	
Prior Council Action:	April 2, 2015 - Approved Resolution No. 20150402-020.
For More Information:	Cheryl Mele, Chief Operating Officer (512) 322-6062; Khalil Shalabi, Vice President, Energy Market Operations & Resource Planning (512) 322-6520
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

On December 11, 2014, the Austin City Council adopted the Austin Energy Resource, Generation, and Climate Protection Plan to 2025 which established the strategic energy policy for Austin Energy. Part of that plan envisioned contracting for up to 600 megawatts ("MW") of utility-scale solar generation by 2017.

On April 2, 2015, the Austin City Council approved Resolution 20150402-020 directing the City Manager to issue a Request for Proposals for up to 600 MW of solar generation. The offers provided Austin Energy with competitively priced renewable solar energy and environmental attributes and the opportunity to continue progress toward its goal of having 55% of its energy resources come from renewable sources by 2025. The recommended solar purchases and existing renewable commitments are projected to result in Austin Energy achieving 40% renewable energy after the projects begin commercial operation by December 31, 2017.

These utility-scale solar contracts will provide for the purchase of the full output of solar power projects to be constructed in the West Texas Region of ERCOT. The solar projects are expected to come online by the end of 2017.

Agreements will run for terms of 15 to 25 years and will not require Austin Energy to invest any funds in the construction, operation, or maintenance of the projects during that period. The agreements will each provide for a non-escalating fixed price per megawatt-hour of energy produced, the quantity of which will vary in accordance with the actual availability of solar resources. The agreements are projected to increase the Power Supply Adjustment by up to 1% during the first four years of the agreement with neutral to slightly positive impacts in later years. The rate impact of this action is expected to be within affordability limits.