



## MEMORANDUM

TO: Mayor and City Council Members

CC: Marc A. Ott, City Manager

FROM: Larry Weis, General Manager

DATE: September 8, 2015

SUBJECT: Schedule for Updates on Independent Analysis of 2025 Generation Plan & Addressing Potential Addition of Utility Scale Solar

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On August 27, 2015, the Austin Energy Utility Oversight Committee (AEUOC) recommended a resolution to City Council that would direct the City Manager to bring forth a plan by October 1, 2015, addressing the potential addition of 600 Megawatts (MW) of utility scale solar by 2017. City Council has yet to adopt the resolution, and Austin Energy has received several follow-up requests from Council Members about this item. In response to those requests, this memo provides an update on Austin Energy's intended timeline for presenting plan updates, as well as solar procurements currently underway.

In 2011, City Council passed Resolution No. 20110310-003, which, in part, requires that any acquisition of generation resources (including power purchase agreements) over 10 MW come before Council for briefing and public comment prior to being placed on an agenda for Council action. This requirement was added prior to adoption of the Council Committee structure, and Austin Energy intends that its briefing to the AEUOC on September 24 will satisfy this requirement for upcoming solar power purchase agreements.

In addition to the potential purchase of utility scale solar, the following schedule includes review and discussion of the independent study of the Austin Energy Resource, Generation and Climate Protection Plan to 2025 ("2025 Generation Plan") being completed by Navigant. This is an integral step in evaluating the acquisition of up to 600 MW of utility-scale solar generation, at a cost of approximately \$1.7 billion.

September 15 – Resource Management Commission

- Briefing on potential purchases of utility scale solar

September 21 – Electric Utility Commission Meeting

- Briefing on assumptions used by Navigant in its analysis
- Briefing and discussion on potential purchase of utility scale solar

September 24 – Austin Energy Utility Oversight Committee Meeting

- Briefing on assumptions used by Navigant in its analysis
- Briefing, public comment and committee recommendation on purchases of utility scale solar

October 1 – City Council Meeting

- Briefing on a plan for 600 MW utility scale solar by 2017
- Consideration of a power purchase agreement for utility scale solar

October 1 – 15

- Austin Energy receives draft Navigant report
- Electric Utility Commission members receive draft Navigant report

October 15 – 18

- Austin Energy receives final Navigant Report

October 19 – Electric Utility Commission Meeting

- Presentation of final Navigant report

October 22 – Austin Energy Utility Oversight Committee Meeting

- Presentation by Austin Energy and Navigant of final report

As you can see from the timeline above, Austin Energy plans to bring forward a solar power purchase agreement in the near future, contingent upon the ability to successfully negotiate favorable terms. Moving forward, the solar goals should be considered in a holistic manner with the entire energy portfolio, accounting for all aspects of the 2025 Generation Plan, the ERCOT market, the EPA's Clean Power Plan and potential impacts to customers. Therefore, waiting for the results of the Navigant report is instrumental in understanding how best to proceed with our energy generation future.

Please let me know if you have questions.