

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	54917	Agenda Number	4.
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Meeting Date:	2/11/2016	Department:	Legal
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Subject

Authorize negotiation and execution of a legal services contract with the law firm of Jackson Walker LLP for legal services regarding the existing agreement between the City and Nacogdoches Power LLC for the purchase of biomass-generated electric power, in an amount not to exceed \$325,000.

Amount and Source of Funding

Funding in the amount of \$325,000 is available in the Fiscal Year 2015-2016 operating budget of Austin Energy.

Fiscal Note

Purchasing Language:	
Prior Council Action:	
For More Information:	Andy Perny, Utility and Regulatory Affairs Division Chief, 512-974-2447
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

City staff desires to obtain outside legal assistance to review the power purchase agreement currently in place with Nacogdoches Power LLC. This agreement is for the output of a 100 MW biomass-fueled power plant in Nacogdoches, Texas. Because of changes to the ERCOT wholesale power market since the contract was executed in 2008 – primarily a general decrease in market prices due to depressed natural gas prices – the Nacogdoches plant has failed to dispatch on a consistent basis, while the City continues to incur capacity payments for the plant's availability. The firm of Jackson Walker LLP has been selected to help review the contract for means of reducing the City's financial exposure to the biomass plant.