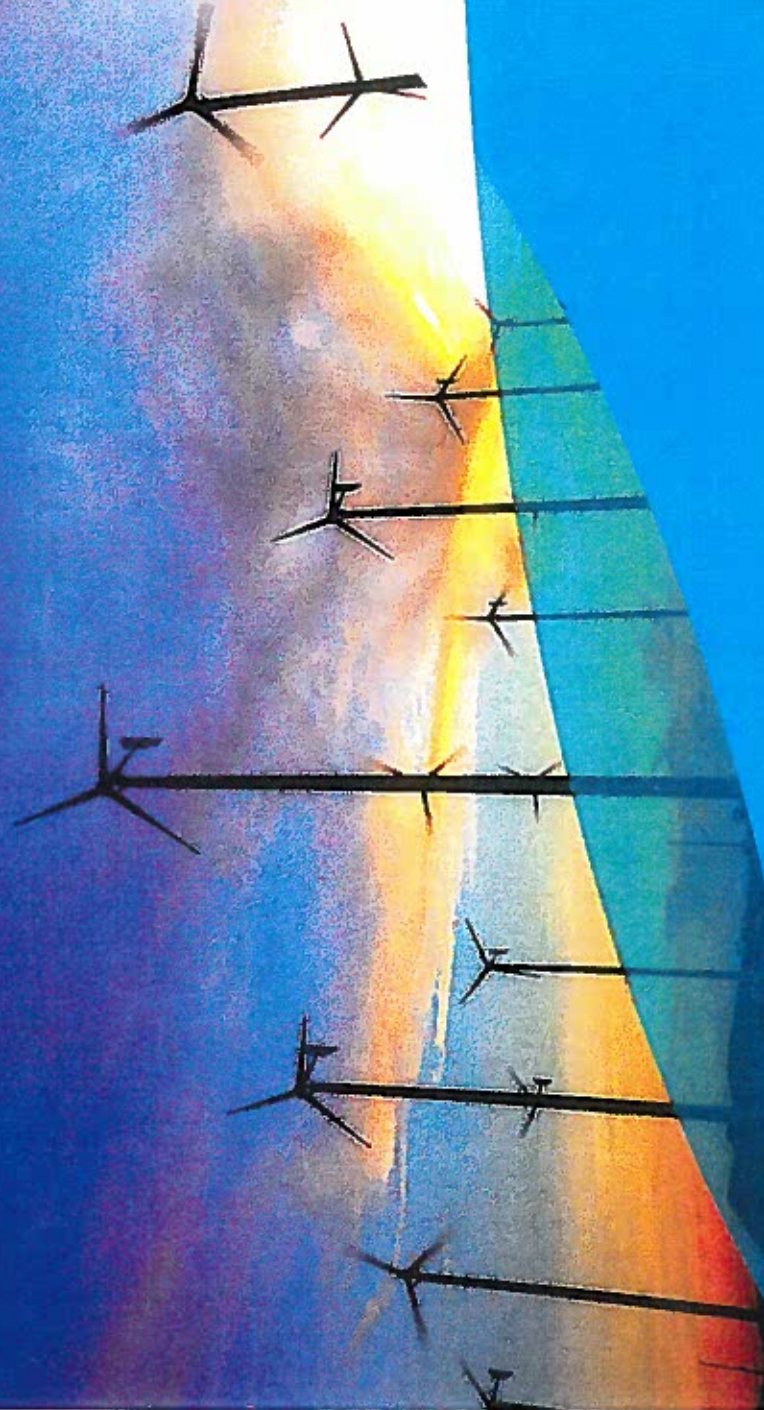




11/25/17 Joint Sustainability
Committee
Item 3c.



Resource Planning Process

2016 Resource Planning Working Group

November 2016

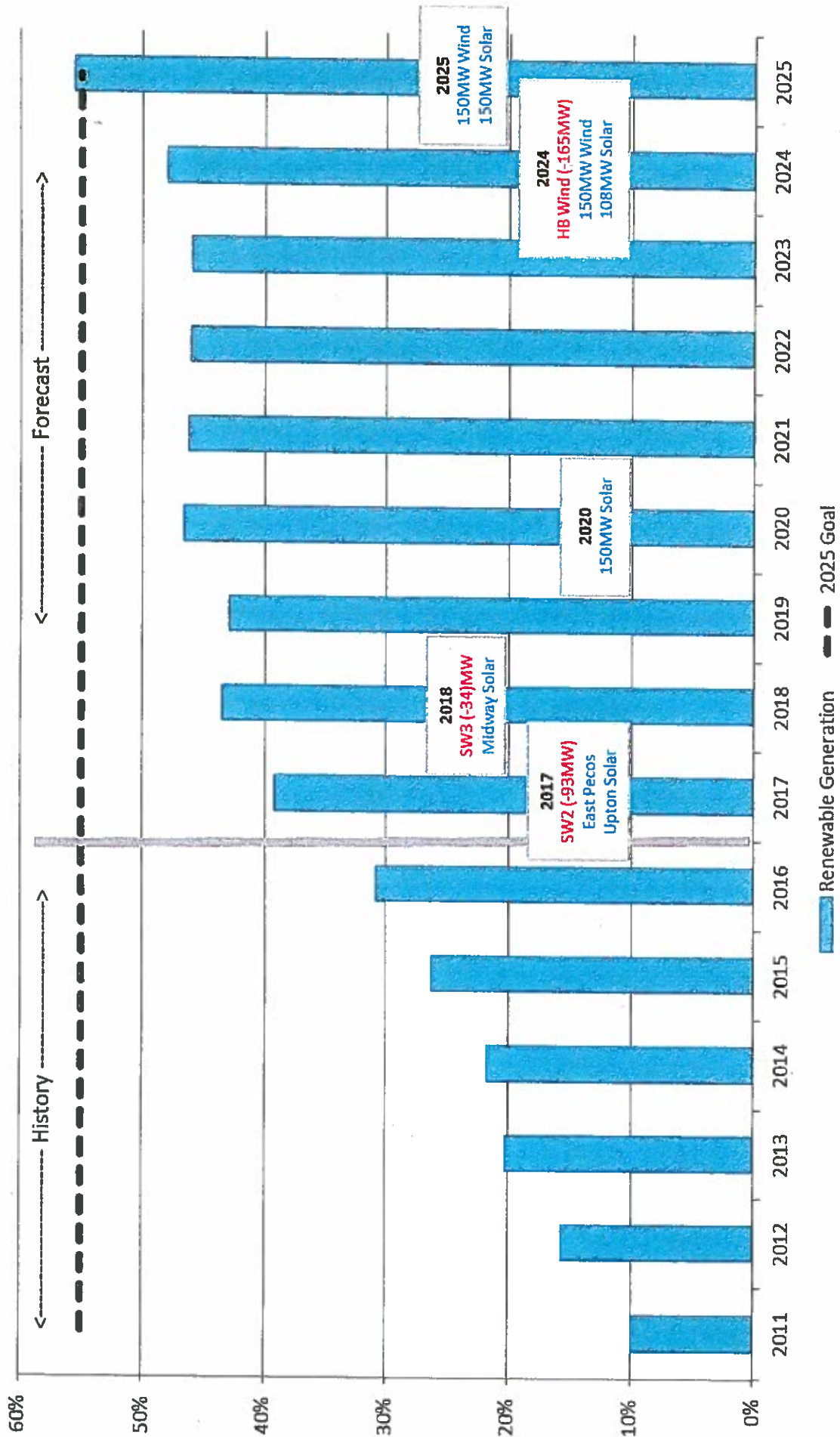
Recap of Goals & Directives from 2014 Update



- 2014 Austin Energy Resource Plan
 - 55% renewables by 2025
 - 900 MW Demand Side Management by 2025
 - 700 MW energy efficiency by 2020
 - Demand Response
 - 100 MW by 2020 and additional 100 MW by 2025
 - 950 MW solar by 2025
 - 110 MW Local Solar by 2020 and additional 90 MW by 2025 if affordable
 - 750 MW Utility Scale Solar by 2025
 - CO2 emissions
 - 20% reduction from 2005 levels by 2020
 - Retirement of Fayette Coal Plant by the end of 2023
 - Affordability
 - 2% limit per year
 - Rates should be in the lower 50th percentile statewide
 - 10 MW (lithium ion batteries) local storage by 2025 + 20 MW of thermal storage
 - Retire Decker steam units by 2019 and replace with 500 MW efficient combined-cycle – subject to a third party study



Renewable Generation





4

FOURTH
Quarter
REPORT



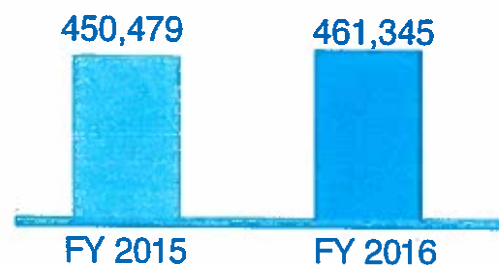
FISCAL
YEAR
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austinenergy.com

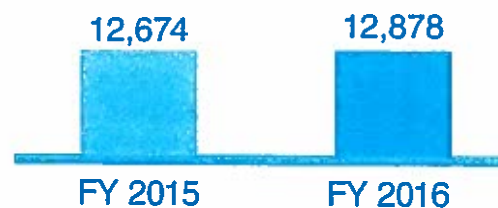
INCOME STATEMENT*

\$ in millions	12 months ended	
	9/30/15	9/30/16
Operating Revenues	\$ 907	\$ 931
Power Supply Revenue	444	439
Power Supply Expense	444	439
Non-Power Supply Expenses	549	572
Depreciation Expense	153	157
Operating Income/(Loss)	205	202
Other Revenue (Expense)	(27)	(12)
General Fund Transfer	(105)	(105)
Net Income/(Loss)	\$73	\$85
Debt Service Coverage	3.6	3.1
Debt to Equity Ratio	46%	44%

Average Number of Customers



Total Sales in Gigawatt Hours



COMPARATIVE STATEMENT OF NET POSITION*

\$ in millions	9/30/2015	9/30/2016	Change
Cash	\$250	\$348	\$98
Accounts Receivable (net)	157	145	(12)
Other Under-Recoveries	38	16	(22)
Debt Service - ST	65	54	(11)
Strategic Reserve	152	189	37
Nuclear Decommissioning Reserve	205	212	7
Other Restricted Assets	110	115	5
Other Assets	661	713	52
Capital Assets	2,604	2,591	(13)
TOTAL ASSETS	\$4,242	\$4,383	\$141
Current Liabilities	133	121	(12)
Power Supply Over-Recovery	61	68	7

FINANCIAL RESULTS – FY 2016 Oct. 1, 2015 – Sep. 30, 2016

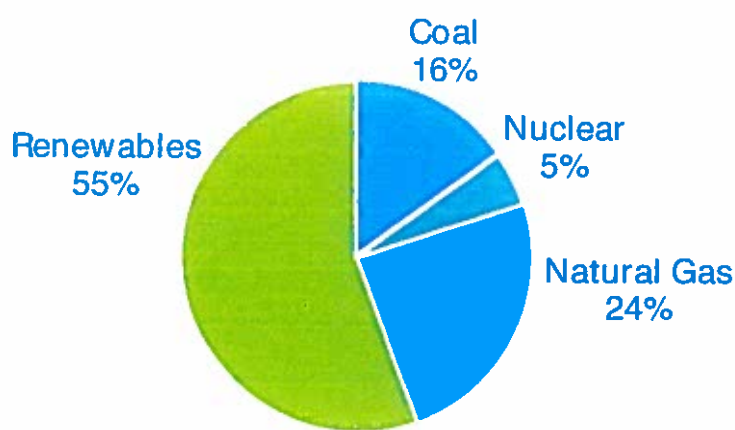
Austin Energy's preliminary, unaudited financial results for the fiscal year ended September 2016 are consistent with expectations. Non-power supply operating revenue grew since last year by \$24 million mainly due to increased regulatory revenue which recovers transmission expense.

Austin Energy's preliminary operating income is \$3 million less than the prior year primarily due to the increase in regulatory revenue offset by increases in transmission, power production, and depreciation expense.

Austin Energy's financial statements reflect assets and liabilities for under-/over-recovery of certain recoverable costs. Power supply costs are over recovered by \$68 million compared to an over recovery of \$61 million at September 2016. Regulatory costs (e.g. transmission costs) are \$9 million under-recovered, down from \$33 million last year.

Overall, Austin Energy's preliminary financial results show a \$98 million increase in cash over the fiscal year, which will allow Austin Energy to invest in operational technologies and competitive generation resources.

Power Generation Costs by Fuel Type*



* Costs include fuel for generation, fuel transportation, renewable power purchase agreements and hedging activity.

Consumption vs. Generation (GWh)

