

Recommendation for Council Action

City Council Meeting Date:

December 5, 2019

Posting Language:

Authorize negotiation and execution of a 25-year power purchase agreement with ENGIE Distributed Solar, LLC an ENGIE subsidiary, for up to 1.8 megawatts of electricity from a distributed roof top solar-generation facility located at the Austin-Bergstrom International Airport, in an estimated amount up to \$225,000 per year, for a total estimated amount up to \$5,600,000.

Fiscal Note:

Funding will be provided through Power Supply Adjustment and Green Choice revenue.

For More Information:

Jeff Vice, Director, Local Government Issues (512) 322-6087; Erika Bierschbach, Vice President, Energy Market Operations and Resource Planning (512) 322-6476.

Council Committee, Boards and Commission Action:

November 18, 2019 – To be reviewed by the Electric Utility Commission.

November 19, 2019 – To be reviewed by the Resource Management Commission.

Additional Backup Information:

On April 18, 2019, Austin Energy issued a Request for Proposals for renewable capacity and energy. Offers resulting from the solicitation provided Austin Energy with competitively priced renewable energy and environmental attributes, and the opportunity to continue progress toward its renewable energy acquisition local solar goal. The renewable purchase recommended in this action, with existing renewable energy commitments, is projected to result in Austin Energy reaching approximately 4.3 megawatts (MW) of community solar after the project begins commercial operation by the end of 2020, and will increase the utility's purchase portfolio to 254 MW of installed local solar capacity.

On August 17, 2017, the Austin City Council approved the Austin Energy Resource, Generation and Climate Protection Plan to 2027 which updated the strategic energy policy for Austin Energy. The updated plan includes a goal of achieving an overall renewable energy portfolio of approximately 65% of Austin Energy's generating fleet by 2027.

This distributed local solar facility contract will provide for the purchase of up to 1.8 MW of solar power from a project to be constructed at the Austin-Bergstrom International Airport, which has separately procured and installed a carport structure on the rooftop of a parking garage, and whereby the facility will serve to shade vehicles parked on the rooftop. The agreement will not require Austin Energy to invest any funds in the construction, operation, or maintenance of the project. The agreement will provide for a non-escalating fixed price per megawatt-hour (MWh) of energy that allows Austin Energy to realize the pricing benefit due to the federal investment tax credit (ITC) available to solar developers which is set to begin declining for projects that begin commercial operation after 2023. The quantity of production will vary in accordance with the actual availability of solar irradiance at any given time. The agreement is projected to provide the shade to the parking garage and provide local solar benefits.