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12:00PM Tuesday 11/10/26

THE AUSTIN ENERGY UTILITY OVERSIGHT COMMITTEE WILL MEET ON TUESDAY, NOVEMBER 17, 2026 AT 9:00 AM, AUSTIN CITY HALL 301 W. SECOND STREET, AUSTIN, TX AND SOME MEMBERS MAY BE PARTICIPATING VIA VIDEOCONFERENCE

José "Chito" Vela, Chair
Mike Siegel, Vice Chair
Kirk Watson
Natasha Harper-Madison
Vanessa Fuentes
José Velásquez
Krista Laine
Ryan Alter
Paige Ellis
Zohaib “Zo” Qadri
Marc Duchen

Public comment will be allowed in person or remotely by telephone. Speakers may only register to speak on an item once either in person or remotely. Items posted for possible action are available for sign-up. Briefings are not open for sign-up. For full instructions on participation in person or by telephone, please visit the Council Committee Information Center home page, which is linked here:
https://www.austintexas.gov/council/council_committee_info_center

CALL TO ORDER

Public Communication: General

Speakers signed up prior to the meeting being called to order will each be allowed three minutes to address their concerns regarding items not posted on the agenda. This section is limited to five speakers.

Approval of Minutes

1. Approve the minutes for the September 22, 2026, meeting of the Austin Energy Utility Oversight Committee.

Discussion and Possible Action

2. Discussion and possible action on setting the Austin Energy Utility Oversight Committee dates for calendar year 2027.

   Sponsors: Mayor Pro Tem José "Chito" Vela, Council Member Mike Siegel, and Mayor Kirk Watson

Briefings

3. General Manager's Report - Upcoming Regulatory Requirements, Winter Weather Preparation, Renewable and Efficiency Program Updates, and Upcoming Events [Stuart Reilly, General Manager - Austin Energy]

   Sponsors: Mayor Pro Tem José "Chito" Vela, Council Member Mike Siegel, and Mayor Kirk Watson

4. Briefing on the Fourth Quarter Financial Highlights Report. [Stephanie Koudelka, Chief Financial Officer - Austin Energy]

   Sponsors: Mayor Pro Tem José "Chito" Vela, Council Member Mike Siegel, and Mayor Kirk Watson

5. Briefing on the Fourth Quarter Operations Highlights Report. [Lisa Martin, Deputy General Manager and Chief Operating Officer - Austin Energy]

   Sponsors: Mayor Pro Tem José "Chito" Vela, Council Member Mike Siegel, and Mayor Kirk Watson

Future Items

6. Identify items to discuss at future meetings

Previously Distributed Memos to Mayor and Council (Information only; not for discussion)

New Hours – Austin 3-1-1 and the Utility Contact Center dated October 20, 2026

60-Day Update to Resolution No. 20260827-061 Related to Data Center Regulations dated October 28, 2026

ADJOURN



The City of Austin is committed to compliance with the Americans with Disabilities Act.
Reasonable modifications and equal access to communications will be provided upon request.



For assistance, please call 512-974-2210 or TTY users route through 711.

City of Austin

Recommendation for Action

File #: 26-3074, **Agenda Item #:** 1. 11/17/2026

Posting Language

Approve the minutes for the September 22, 2026, meeting of the Austin Energy Utility Oversight Committee.

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DRAFT AUSTIN ENERGY UTILITY OVERSIGHT COMMITTEE MINUTES

September 22, 2026

Committee Members Present:

1. Mayor Pro Tem Vela
2. Council Member Alter
3. Council Member Ellis
4. Council Member Duchen
5. Mayor Watson
6. Council Member Siegel
7. Council Member Qadri
8. Council Member Velasquez
9. Council Member Fuentes
10. Council Member Harper-Madison
11. Council Member Laine

Additional Executives Present:

1. T.C. Broadnax – City manager
2. Brad Schuelke – Sitting in for Deborah Thomas, City Attorney

Public Communication: General

There were two Speakers

Call to Order

Council Member Vela called the committee meeting to order at 9:01 p.m.

Approval of Minutes

1. **Approve the minutes for the July 22, 2026, and July 21, 2026, meetings of the Austin Energy Utility Oversight Committee.**
   The minutes were approved. The motion was made by Vice-Chair Siegel and seconded by Council Member Alter. The motion passed on a 9 – 0 vote, with Council Members Ellis and Fuentes off the dais.

2. **Approve the corrected minutes for the May 20, 2025, October 7, 2025, November 18, 2025, and January 20, 2026, meetings of the Austin Energy Utility Oversight Committee.**
   The corrected minutes were approved. The motion was made by Vice-Chair Siegel and seconded by Council Member Duchen. The motion passed on a 10 – 0 vote, with Council Member Fuentes off the dais.

Briefings

3. **General Manager's Report - ERCOT Summer Peak Energy Usage and the Value of Public Power in the Texas Electric Market.**
   The committee received a briefing from Stuart Reilly, General Manager of Austin Energy.

4. **Briefing on the Third Quarter Financial Highlights Report.**
   The committee received a briefing from Stephanie Koudelka, Chief Financial Officer of

Austin Energy

5. **Briefing on the Third Quarter Operations Highlights Report.**
   The committee received a briefing from Lisa Martin, Deputy General Manager and Chief Operating Officer of
   Austin Energy

Identify Future Items

6. **Identify items to discuss at future meetings.**
   No items were identified.

Council Member Vela adjourned the meeting at 09:47 a.m.

DRAFT

City of Austin

Recommendation for Action

File #: 26-3080, **Agenda Item #:** 2. 11/17/2026

Posting Language

Discussion and possible action on setting the Austin Energy Utility Oversight Committee dates for calendar year 2027.

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2027 PROPOSED MEETING DATES
AUSTIN ENERGY UTILITY OVERSIGHT COMMITTEE

Date: November 17, 2026

Agenda Item: Item 2

Austin Energy Utility Oversight Committee Proposed Meeting Dates:

Held every other month starting in January at 9 AM before City Council Work Session.

January 26, 2027 at 09:00AM

March 23, 2027 at 09:00AM

May 18, 2027 at 09:00AM

July 20, 2027 at 09:00AM

September 21, 2027 at 09:00AM

November 16, 2027 at 09:00AM

Sponsors/Department:

Sponsors: Mayor Pro Tem José "Chito" Vela, Council Member Mike Siegel, and Mayor Kirk Watson

City of Austin

Recommendation for Action

File #: 26-3076, **Agenda Item #:** 3. 11/17/2026

Posting Language

General Manager’s Report - Upcoming Regulatory Requirements, Winter Weather Preparation, Renewable and Efficiency Program Updates, and Upcoming Events [Stuart Reilly, General Manager - Austin Energy]

Lead Department

Austin Energy.

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Austin Energy

General Manager's Report

Stuart Reilly

General Manager

November 17, 2026

© Austin Energy

Topics

General Manager's Report

- Winter Weather Preparation
- Increasing Regulatory Requirements
- Value of Solar Rate Increase
- Community Focus

Austin Energy

Winter Weather Preparation

- Conducting annual winter preparation training for personnel
- Winterizing power plants, substations and equipment
- Winter Weather Readiness Attestation to ERCOT and Public Utility Commission of Texas
- Participating as requested in ERCOT winter weatherization inspections

Austin Energy







Increasing State Regulatory Requirements



Transmission & Distribution Structural Integrity Standards

- Regulatory requirements will be on the January 28 City Council agenda for adoption
- Inspection and corrective action schedule, annual report filed with Public Utility Commission of Texas



Distribution Pole Management Plan

- Create and maintain plan
- File plan with Public Utility Commission of Texas for approval
- Annual report filed with Public Utility Commission of Texas



Wildfire Mitigation Plan

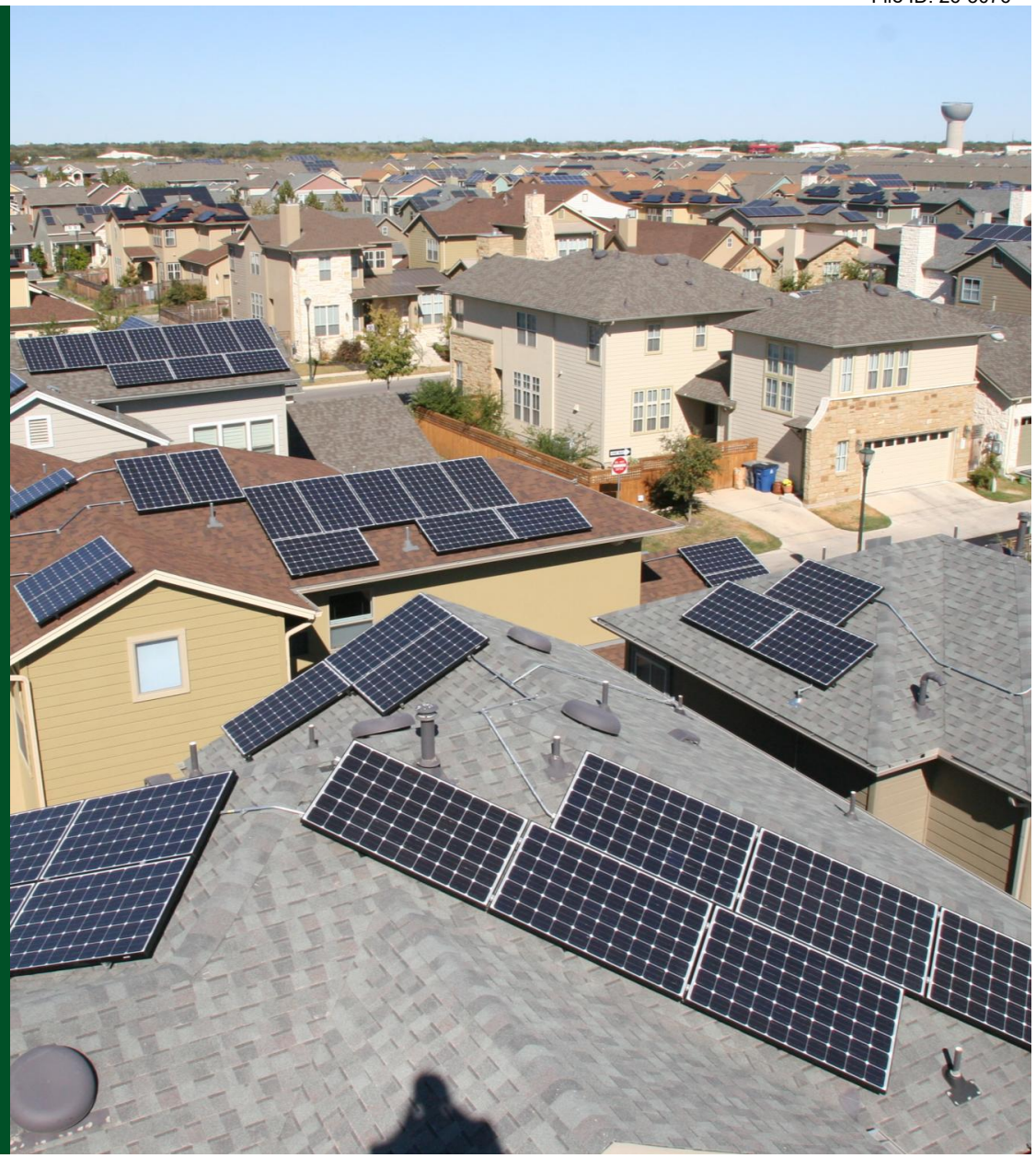
- File plan at the Public Utility Commission of Texas for approval
- Independent expert analysis of plan
- Annual updates and renewed approval every three years

Austin Energy

Value of Solar Rate Increase

- Increased by 27% effective Oct. 1
- Adds hundreds of dollars in potential annual solar bill credits to participating customers
- The new Value of Solar rate:
  - 12.89 cents per kilowatt-hour for systems under one megawatt
  - 10.22 cents per kilowatt-hour for systems one megawatt and larger

Austin Energy



Community Focus



Community Connections Resource Fair

Annual free, family-friendly event connects more than 100 City of Austin, non-profit and local service providers with hundreds of community members in one fun-filled day



Light Up Navajo

16 Austin Energy crew members traveled Arizona, installed 140 poles, 60,000 feet of wire and brought power to 14 Navajo homes for the first time



60th Zilker Holiday Tree

Austin Energy crews installed the 60th Annual Zilker Holiday Tree, transforming a historic moonlight tower into a holiday beacon in the Austin skyline during the season

Austin Energy

Austin Energy

Customer Driven.

Community Focused.

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City of Austin

Recommendation for Action

File #: 26-3077, **Agenda Item #:** 4. 11/17/2026

Posting Language
Briefing on the Fourth Quarter Financial Highlights Report. [Stephanie Koudelka, Chief Financial Officer - Austin Energy]

Lead Department
Austin Energy.

Austin Energy Quarterly Financial Report

4th Quarter FY 2026

Stephanie Koudelka

Chief Financial Officer

Austin Energy

November 2026

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Agenda

Quarterly Financial Report



Executive Summary



Financial Health



Budget to Actuals



Financial Statements



Competitiveness Metrics

Austin Energy

Executive Summary



FY26 Financial Results

Costs exceeded revenues by $8 million, compared to a $43 million budgeted shortfall.



Bond Rating

AA- per S&P, below AA target.



Financial Policies

Substantial compliance as of September.



Days Cash on Hand

Cash and Reserves were 187 days at the end of September, compared to 195 days at the beginning of the fiscal year.

Austin Energy

Financial Health

S&P Bond Rating Target: AA | Actual: **AA-**

Days Cash on Hand	Debt Service Coverage	Operating Margin	Debt to Capitalization
Target > 200 Days	Target > 2.5x	Target > 10%	Target < 50%
Actual **187** Days	Actual **2.3x**	Actual **9%**	Actual **58%**

Includes pass-through rate recovery balances

Austin Energy

Austin Energy Quarterly Financial Report

Budget to Actuals

Austin Energy

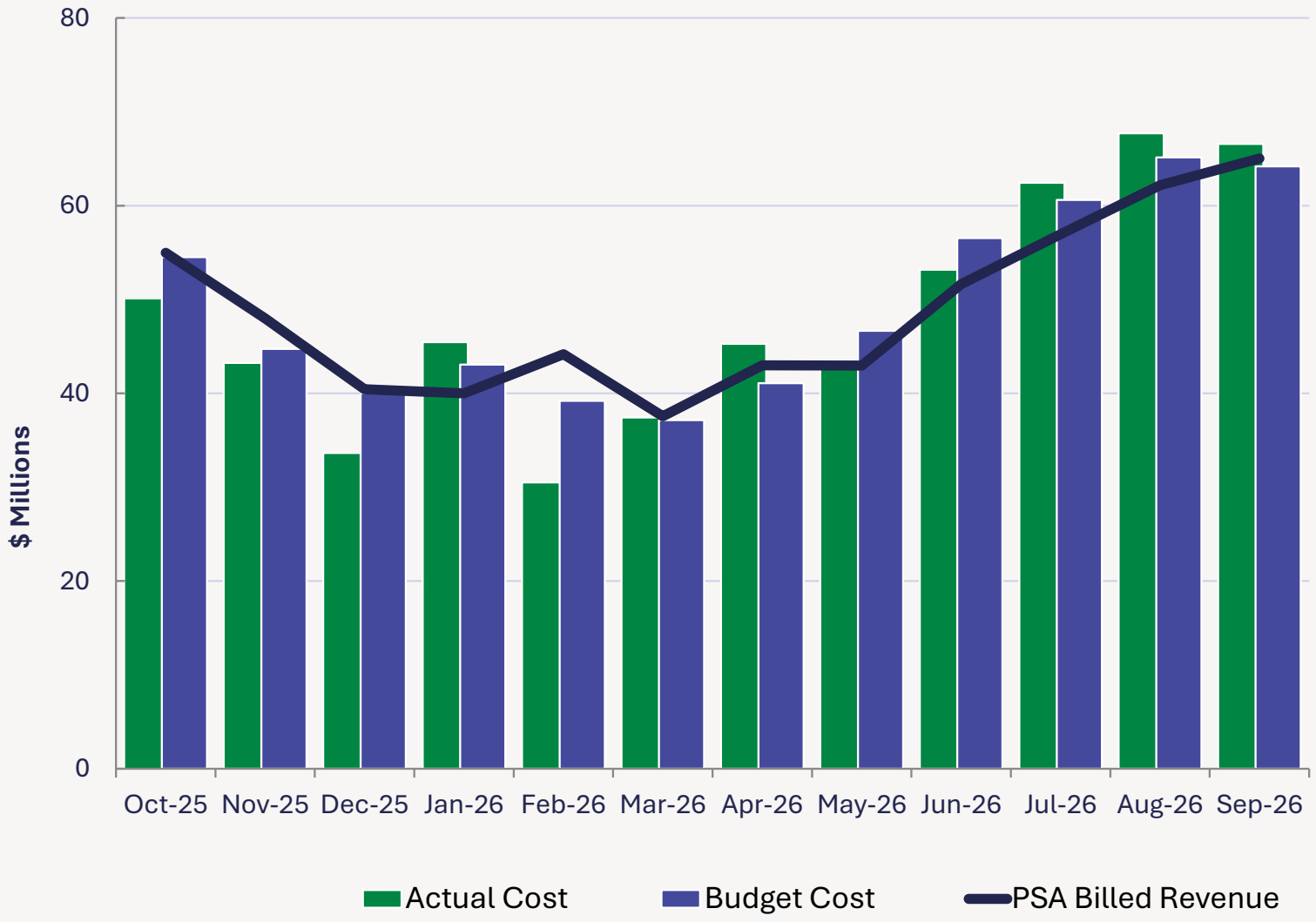


Austin Energy Fund Summary

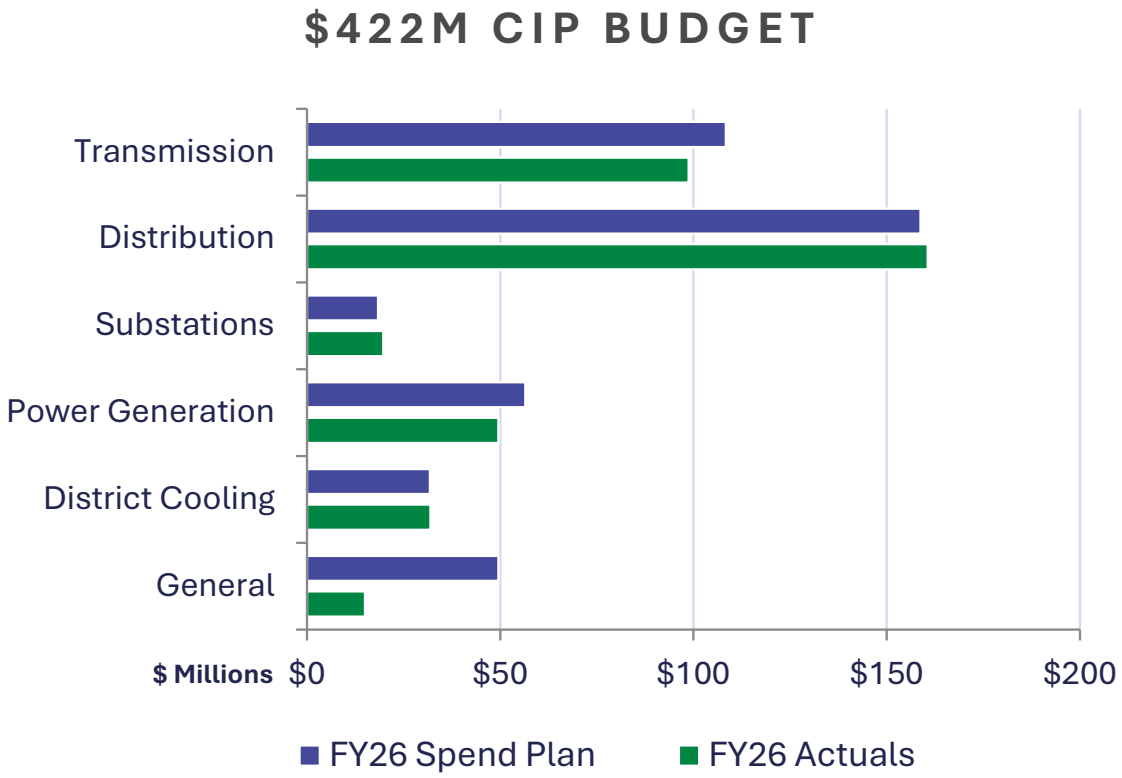
Millions of $	12 Months Ended September 2026		
	Actual	Budget	Favorable (Unfavorable)
Base Revenue	$ 787	$ 749	$ 38
Power Supply Revenue	577	593	(16)
Other Operating Revenues	518	560	(42)
Total Operating Revenues	**1,882**	**1,902**	**(20)**
Power Supply Expense	511	528	17
Other Operating Expenses	889	936	47
Total Operating Expenses	**1,400**	**1,464**	**64**
Operating Income (Loss)	**482**	**438**	**44**
Transfers In	5	5	0
Interest & Other Revenue	35	44	(9)
Debt Service	(195)	(196)	1
Administrative Support Transfer	(42)	(42)	0
General Fund Transfer	(139)	(139)	0
Economic Development Transfer	(11)	(11)	0
Other Transfers	(19)	(18)	(1)
CIP Transfer	(124)	(124)	0
Excess (Deficiency) of Revenues	**$ (8)**	**$ (43)**	**$ 35**

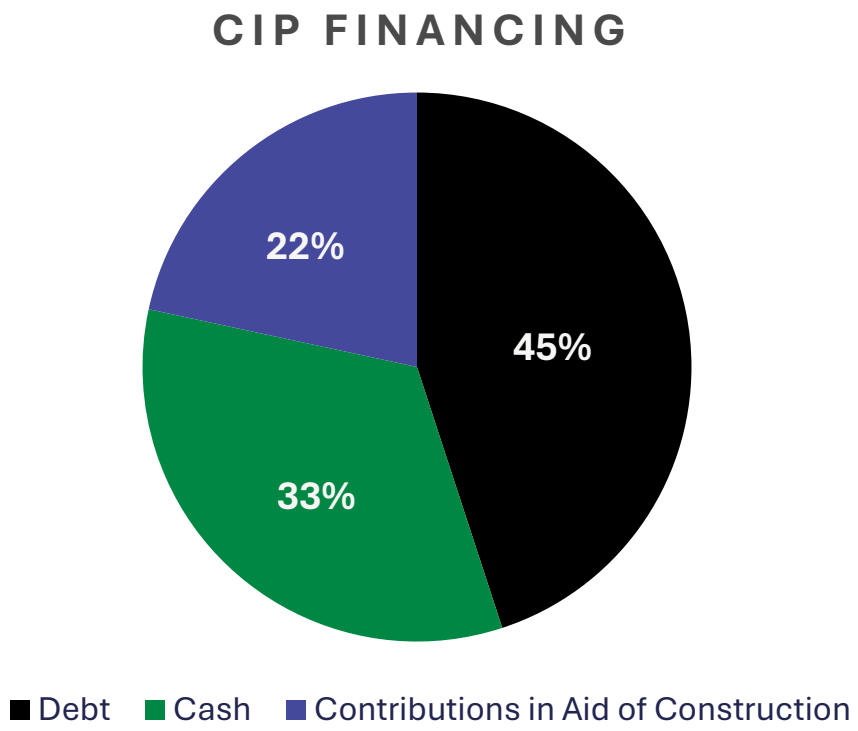
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Power Supply Adjustment



Capital Improvement Plan (CIP)



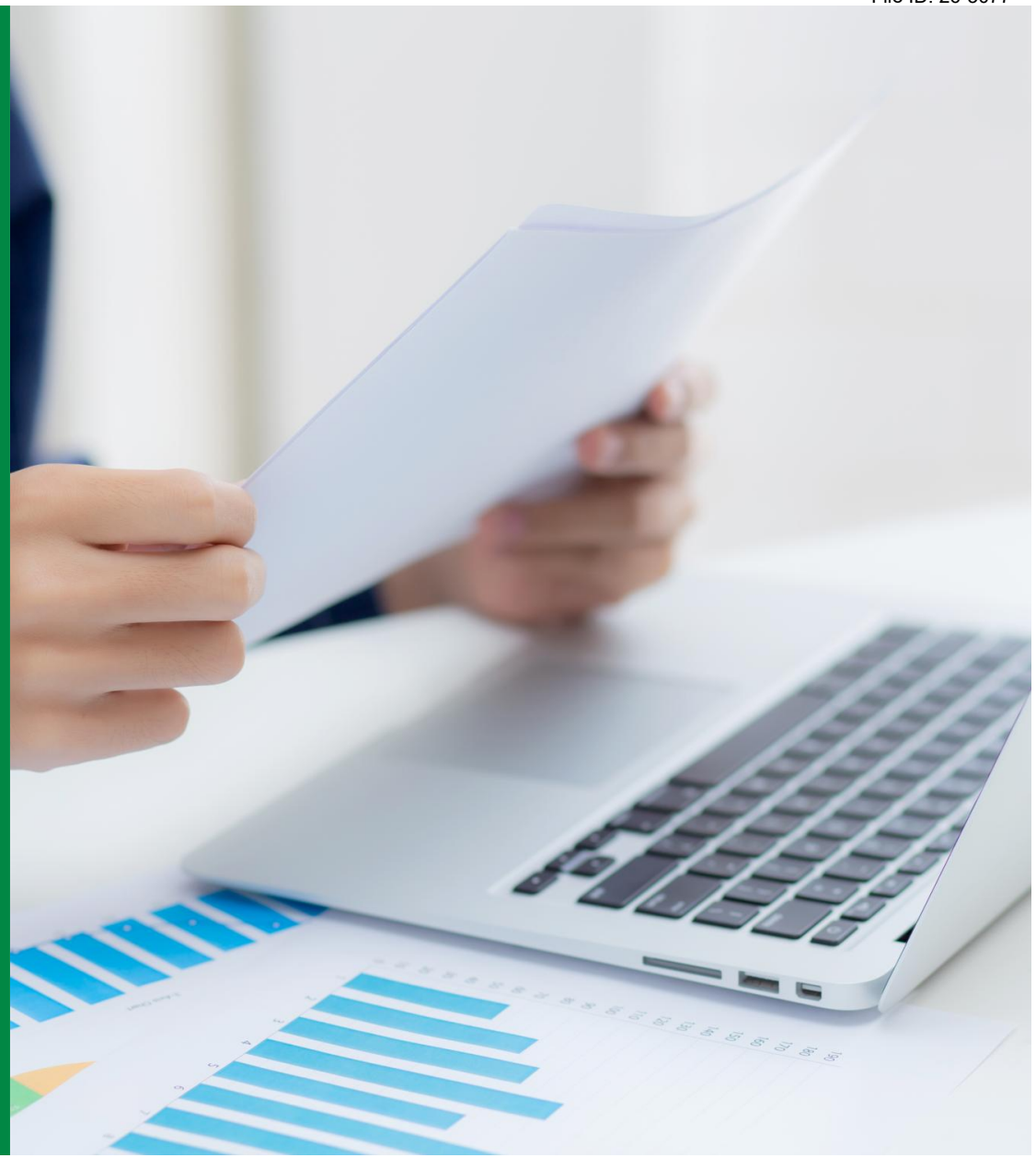


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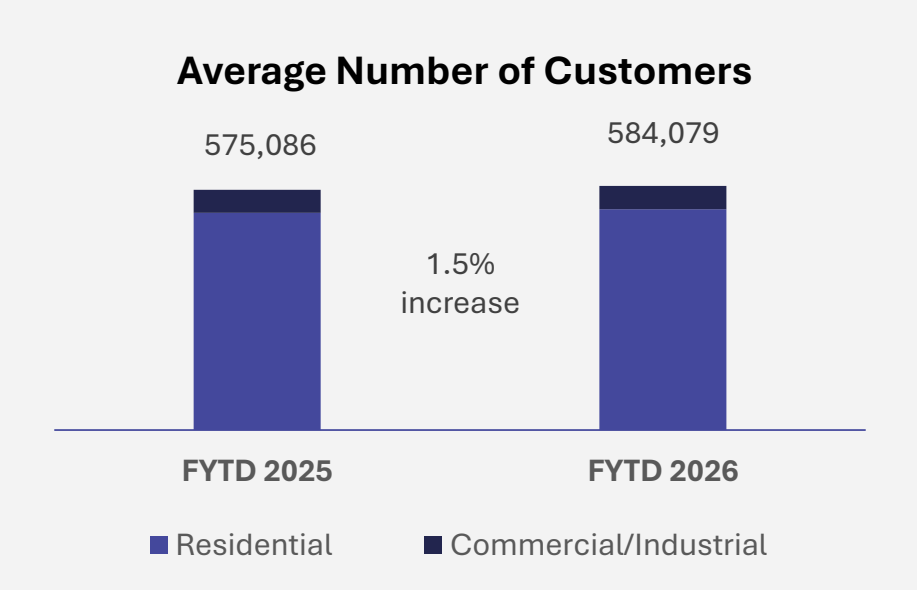
Austin Energy Quarterly Financial Report

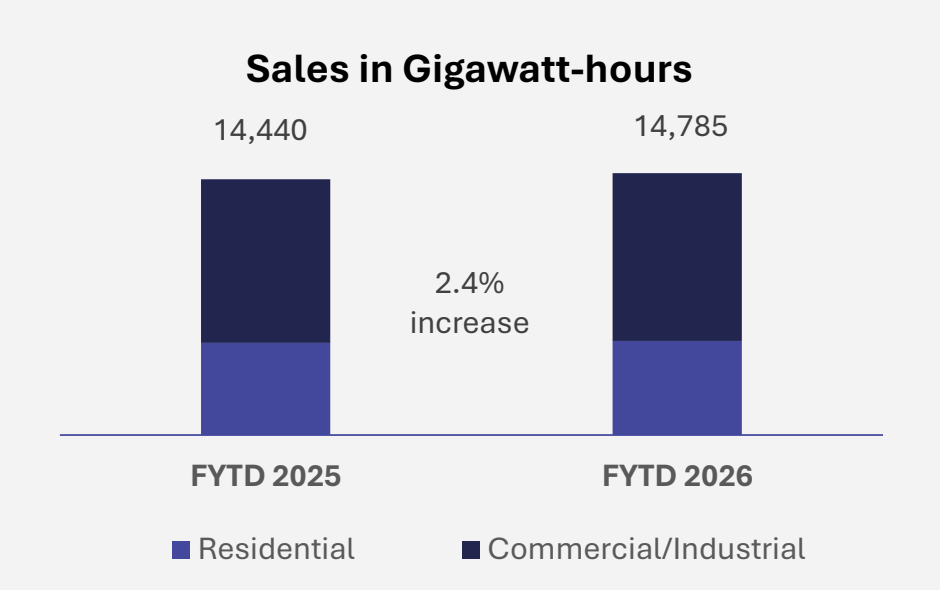
Financial Statements

Austin Energy



Annual Customer Growth





Austin Energy

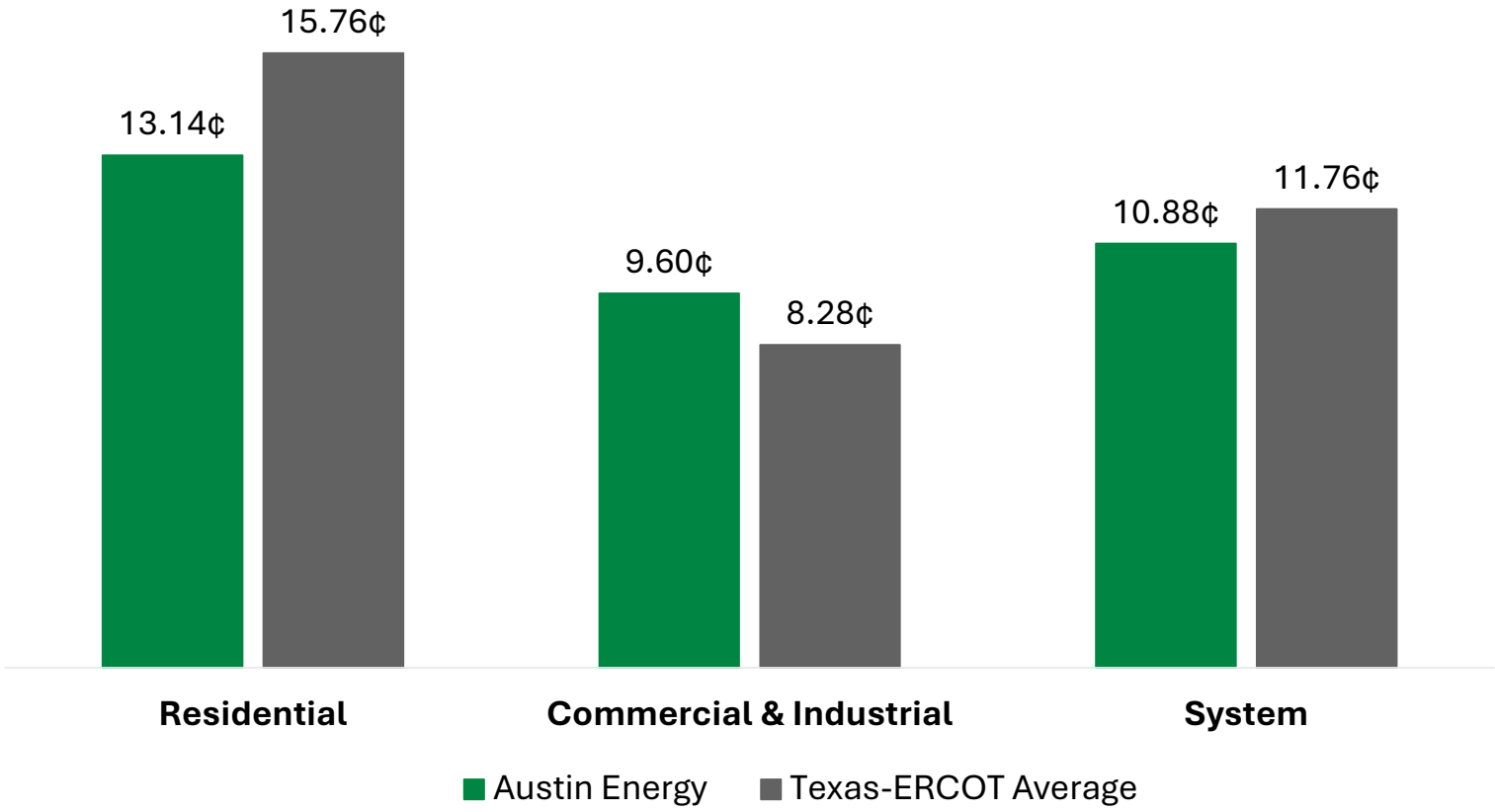
Austin Energy Quarterly Financial Report

Competitiveness Metrics

Austin Energy



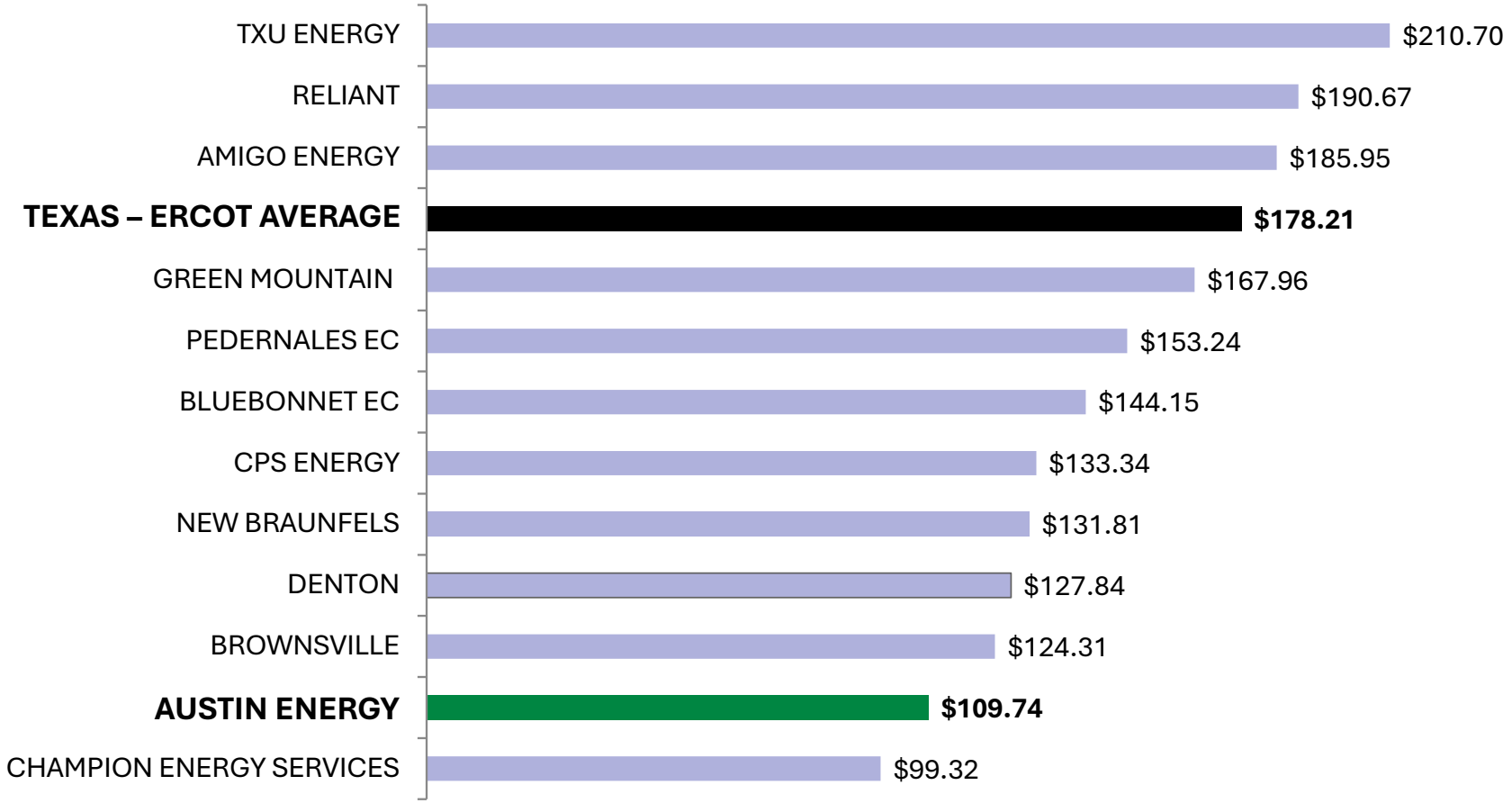
Average Rates by Customer Class – CY 2025



Austin Energy

*Texas average limited to ERCOT providers with more than 3% residential customer load.
Source: U.S. Energy Information Administration Form 861, released in October 2026.

Residential Average Monthly Bill – CY2025



Austin Energy

*Texas average limited to ERCOT providers with more than 3% residential customer load.
Source: U.S. Energy Information Administration Form 861, released in October 2026.

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City of Austin

Recommendation for Action

File #: 26-3078, **Agenda Item #:** 5. 11/17/2026

Posting Language

Briefing on the Fourth Quarter Operations Highlights Report. [Lisa Martin, Deputy General Manager and Chief Operating Officer - Austin Energy]

Lead Department

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File ID: 26-3078

Austin Energy

Austin Energy Operations Update FY2026 Q4

Lisa Martin

Deputy General Manager & Chief Operating Officer

November 2026

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File ID: 26-3078

Agenda

Quarterly Operations Update

- Executive Summary
- Environmental Performance
- Reliability Performance
- Base Battery Storage Agreement Update

Austin Energy

Executive Summary



Carbon-Free Generation

64% carbon-free energy generated in Q4.



Carbon-Free as a Percentage of Load

56% carbon-free generation as a percentage of load in Q4.



Generator Availability

Resource commercial availability met summer targets.



Reliability Performance

Performance metrics show improvements in outage frequency and stability in outage duration on average across the system.

Austin Energy

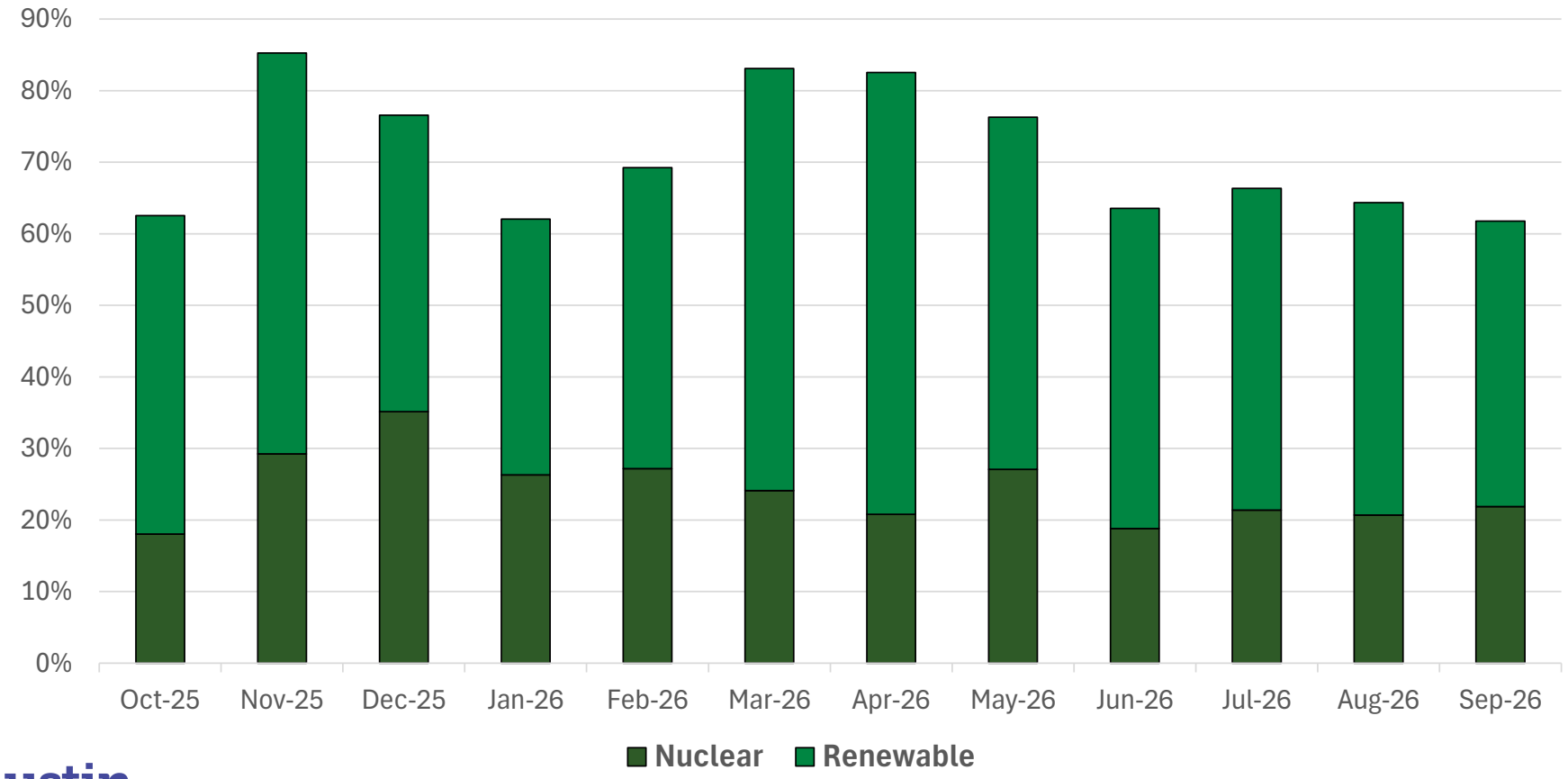
Environmental Performance

Austin Energy Operations Update

Austin Energy

Carbon-Free Generation

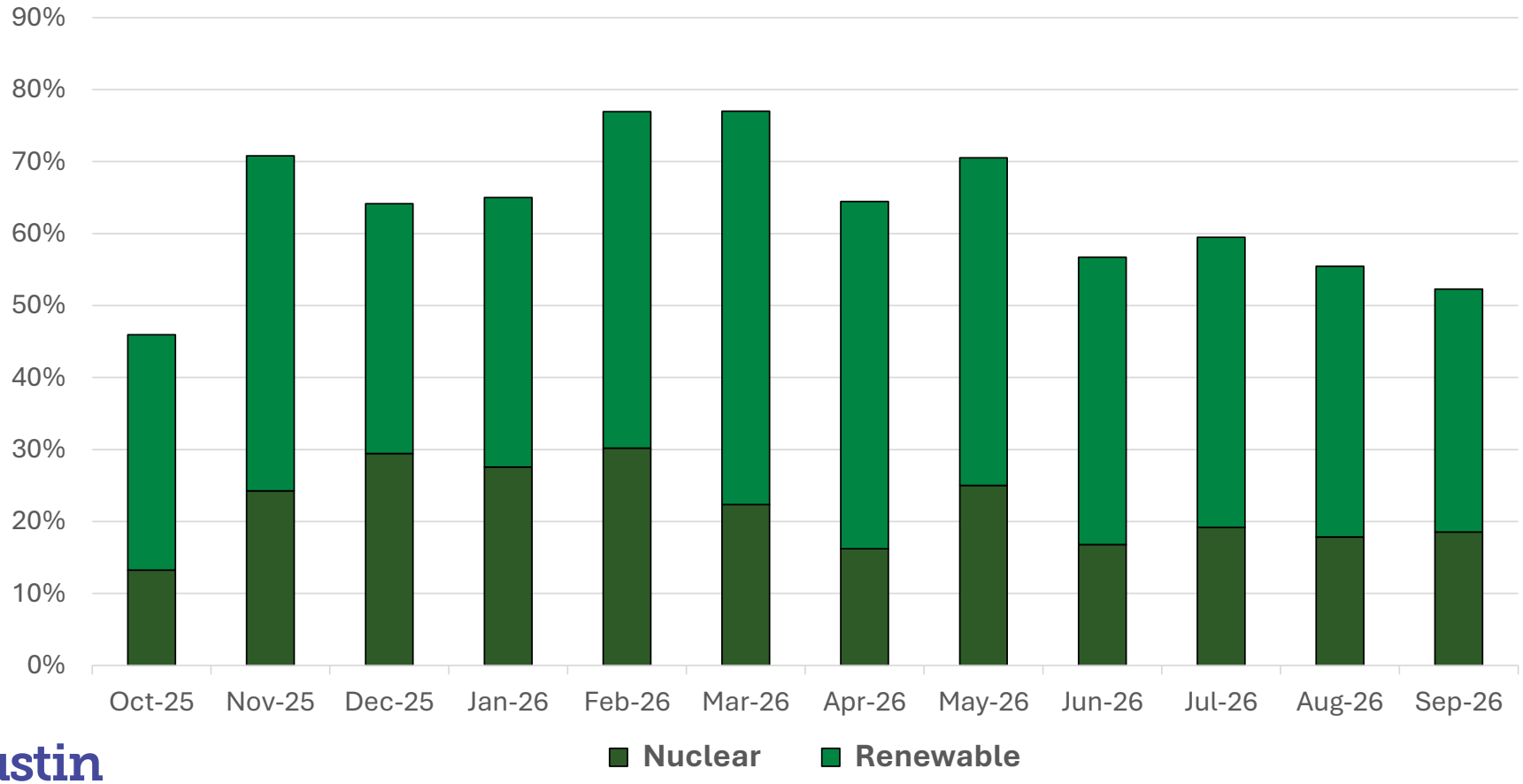
Monthly Data



Austin Energy

Carbon-Free Generation as a Percentage of Load

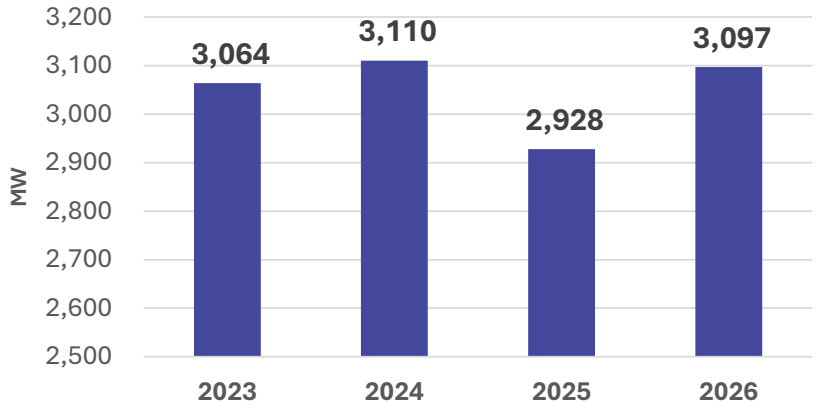
Monthly Data



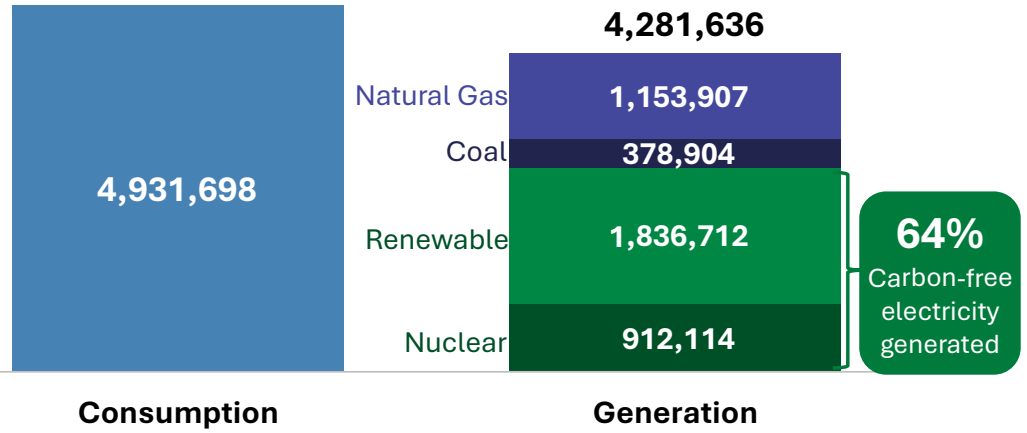
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Generation and Load Analysis – FY2026 Q4

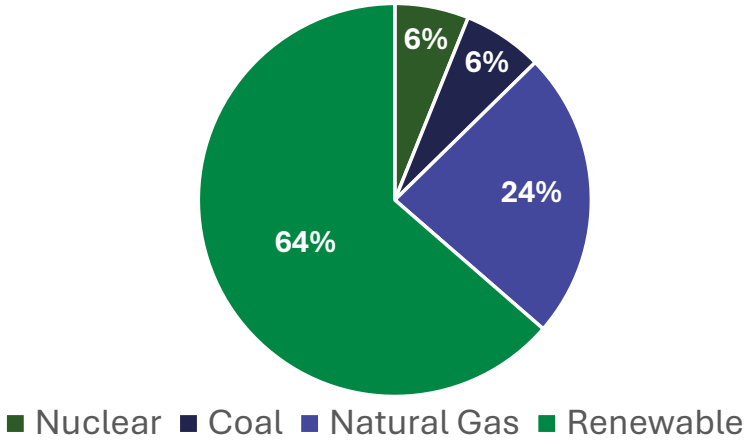
Historical Q4 System Peak Demand (MW)



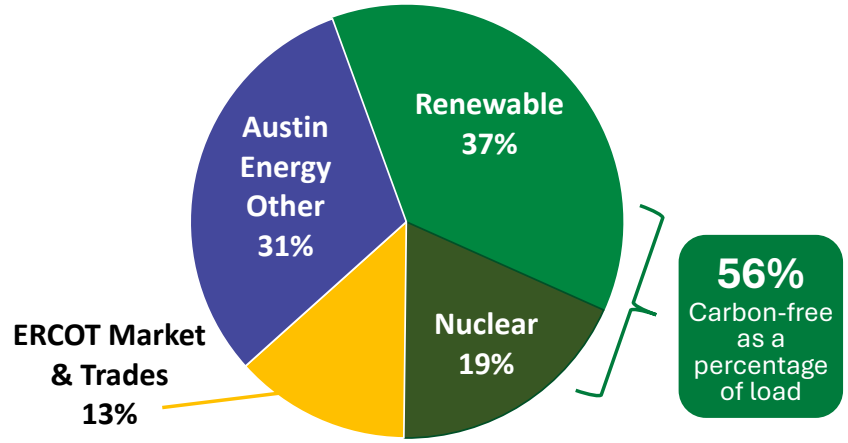
Consumption and Generation (MWh)



Power Generation Cost by Fuel Type



Power Supply as a Percent of Consumption



Reliability Performance

Austin Energy Operations Update

Austin Energy

Generator Availability – FY 2026 Q4

Generation Resource	Commercial Availability Actual	Commercial Availability Target (Summer only)
South Texas Project	100%	100%
Fayette Power Project	98.2%	98%
Sand Hill Combined Cycle	100%	95%
Sand Hill Peakers	95.2%	95%
Decker Peakers	92.5%	95%
Nacogdoches	100%	98%

Austin Energy

Electric Vehicle Charging Network – FY2026 Q4



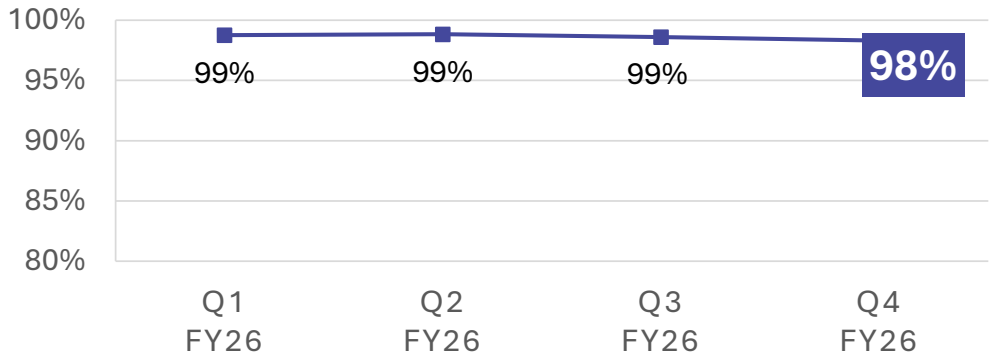
Report Charging Station Outages

- ChargePoint app
- Austin 3-1-1
- pluginaustin@austinenergy.com

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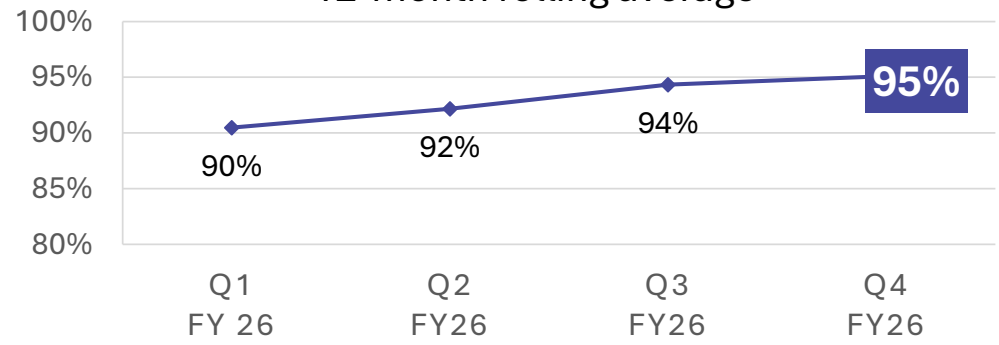
Overall Network Uptime

12-month rolling average



DC Fast Chargers Uptime

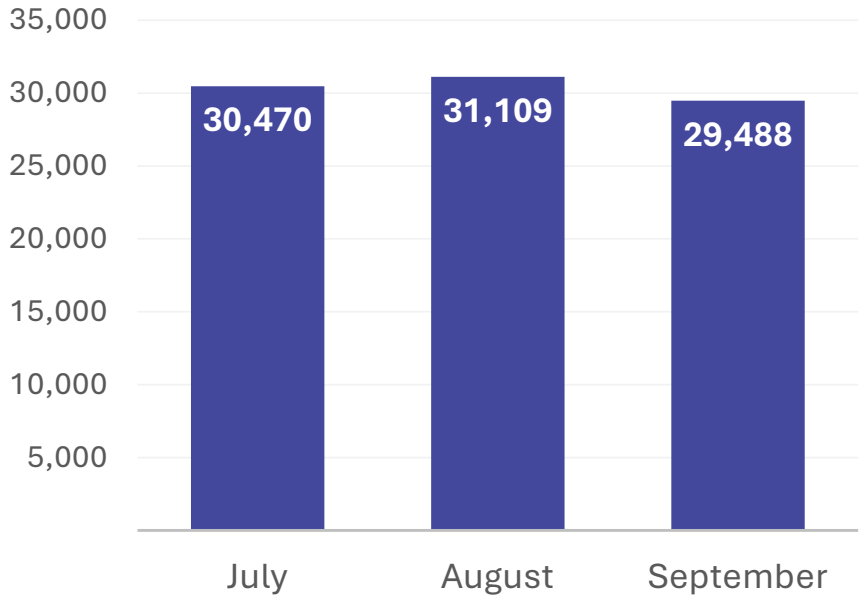
12-month rolling average



Electric Vehicle Charging Stations

Charging Sessions in Q4

Average Monthly: 30,356



Austin Energy

EV Charging Station Usage FY2026 Q4

687 Megawatt Hours
average monthly energy dispensed

9 a.m. – 2 p.m.
peak usage time

3h 29m
average charging time

Private Sector Growth

- **343 Public DC Fast Chargers**
  currently in the Austin/Round Rock area
- **Increased Investment**
  auto manufacturers, private companies and fleets
- **700 DC Fast Chargers in Pipeline**
  for energization in the last few years

  ⅔ for fleet electrification **⅓** for public use

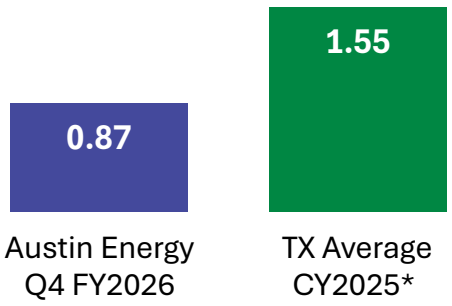
  92 MW of capacity in study, design or construction

  Hurdles:
  - matching land acquisition to capacity availability
  - expectation for energization timelines
- **Major Role**
  in capacity studies, energization and electric rate structures

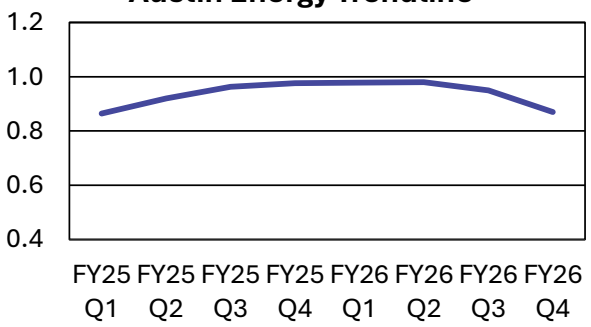
Austin Energy

Distribution Reliability – Q4 FY2026

Average number of outages per customer

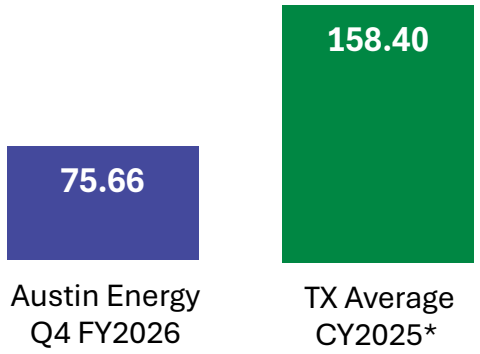


Austin Energy Trendline

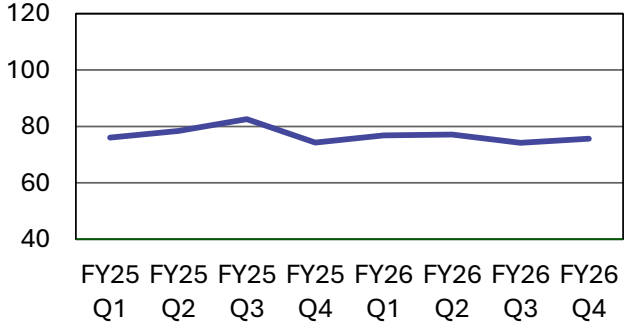


SAIFI – System Average Interruption Frequency Index

Average outage duration in minutes

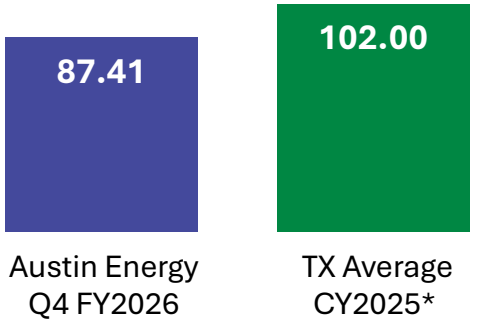


Austin Energy Trendline

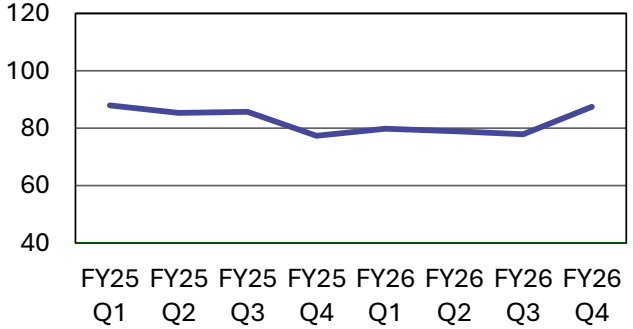


SAIDI – System Average Interruption Duration Index

Average minutes to restore service to affected customer



Austin Energy Trendline



CAIDI – Customer Average Interruption Duration Index

Major event days are excluded from reliability metrics
** TX EIA Electric Power Annual Average without major event days – CY2025*

Base Power Agreement

Austin Energy Operations Update

Austin Energy

Base Power Agreement

Adds to Austin Energy's Distributed Battery Portfolio

Key Aspects

- Sourced from Request for Proposal issued in 2025
- Agreement approved by City Council April 23, 2026
- Wholesale battery storage agreement for up to 40 MW
- 10-year agreement – about $4 million per year
- Multi-location, distribution voltage connections versus a large single site, high-voltage transmission connection
- Provides wholesale cost risk management to the Austin Energy Load Zone
- Contributes to the 125 MW local battery storage goal in the Resource, Generation and Climate Protection Plan to 2035



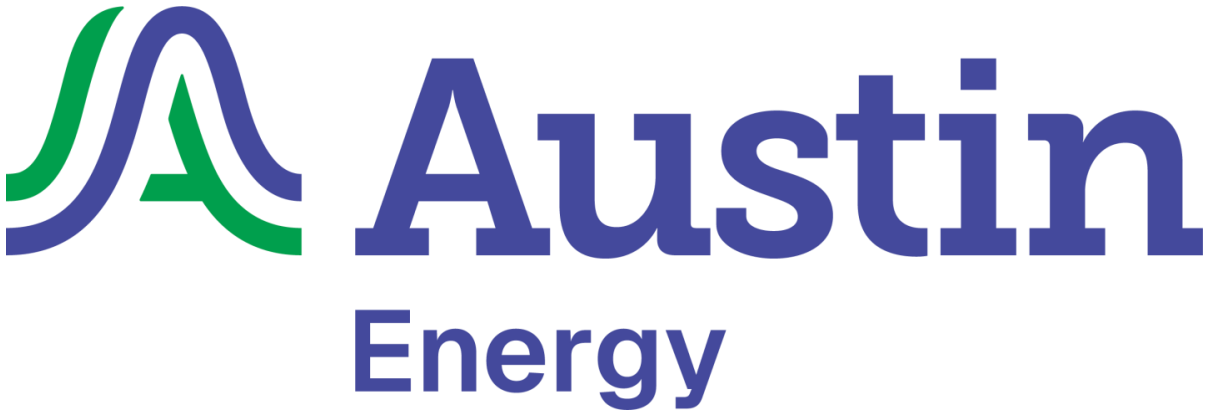
Austin Energy

Current Status

- Portfolio will ramp up to 40MW over 18 months – installations began in summer 2026
- As of October 2026, there are approximately 185 customer installations for a total of 3.7 MW
- Participating customers have a portion of the battery reserved for their use if an outage occurs
- **Austin Energy is paying for and has full use of the other portion of the battery**
- Detailed information for Base at basepowercompany.com/austinenergy



Austin Energy



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City of Austin

Recommendation for Action

File #: 26-3079, **Agenda Item #:** 6. 11/17/2026

Posting Language

Identify items to discuss at future meetings

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Austin

MEMORANDUM

To: Mayor and City Council

Through: Stuart Reilly, Austin Energy General Manager SR
Jon Fortune, Deputy City Manager JF

From: Kerry Overton, Austin Energy Chief Customer Officer KO

Date: October 20, 2026

Subject: **New Hours – Austin 3-1-1 and the Utility Contact Center**

This memorandum serves as a reminder of the operating-hours reduction pilot for Austin 3-1-1 and the Utility Contact Center (UCC), approved as part of the Fiscal Year 2027 budget process. The year-long pilot supports the City's budget savings goals and enhances efficiency by aligning staffing with peak call-volume periods. The updated hours of operation, effective November 1, 2026 (excluding City holidays), are listed below:

effective November 1, 2026	
Austin 3-1-1	Sunday – Saturday, 7 a.m. – 9 p.m.
Utility Contact Center	Monday – Friday, 7:00 a.m. – 7:00 p.m. Saturday, 9:00 a.m. – 1:00 p.m.

If you have any questions, please contact Kerry Overton, Austin Energy Chief Customer Officer, at Kerry.Overton@austinenergy.com or (512) 322-6113.

cc: T.C. Broadnax, City Manager
Erika Brady, City Clerk
Jason Hadavi, City Auditor
Mary Jane Grubb, Municipal Court Clerk
Judge Sherry Statman, Municipal Court
CMO Executive Team
Department Directors

Austin

MEMORANDUM

To:	Mayor and City Council
Through:	Jon Fortune, Deputy City Manager Dr. Eric A. Johnson, Assistant City Manager Mike Rogers, Assistant City Manager
From:	Andrea Bates, AICP, Austin Planning Director Stuart Reilly, Austin Energy General Manager Shay Ralls Roalson, P.E., Austin Water Director
Date:	October 28, 2026
Subject:	**60-Day Update to Resolution No. 20260827-061 Related to Data Center Regulations**

The purpose of this memorandum is to provide a 60-day update regarding data center regulations consistent with City Council Resolution No. 20260827-061.

BACKGROUND

On August 27, 2026, City Council approved Resolution No. 20260827-061, which directed staff to:

- Develop recommended amendments to Title 25 (Land Development Code) and other provisions of City Code and local regulations to define and appropriately regulate data center uses;
- Make recommendations for the enforcement of policies that regulate data centers, including both development and operations standards;
- Bring forward amendments to regulations in phases, with the simplest amendments to be brought forward by the end of 2026; and
- Report back to the City Council prior to approval of any potential data center project requests for electricity that exceed 20 MW or water that exceed 85 million gallons per year while development of regulations is underway.

The resolution also directed staff to provide an update on data center-related policies, land development code amendments, and other issues within 60 days. Additional information about the background for this body of work can be found in the August 19, 2026 memorandum.

Since approval of the resolution in August, staff convened an interdepartmental working group to explore options to regulate data centers, performed several key pieces of technical work,

developed a timeline and phasing plan, and developed an approach to fulfill the reporting requirements included in the resolution.

TIMELINE AND PHASING

Staff recommends the following two-phase approach – also reflected in Attachment A – to create a local regulatory framework for data centers:

Phase 1: Establish Non-Land Use Requirements and Data Center Definition. Modify City Code Title 4 to establish non-land use requirements that would apply to large-scale data centers, and consider modifying City Code Chapter 25-1 to define "Data Center."

- **November 20, 2026:** City Council agenda posting, including staff proposal
- **December 3, 2026:** City Council consideration of proposed modifications to Title 4 and/or Chapter 25-1

Phase 2: Land Development Code Regulations. Modify City Code Chapter 25-2 to define Data Center as a land use and to establish regulations for Data Center land use by zone.

- **September-December 2026:** Peer city research and targeted engagement involving groups and individuals with specialized expertise on the topic, including industry experts, environmental advocates, etc.
- **February/March 2027:** Release staff's proposal for public review; provide required notices.
- **March 2027:**
  - Joint meeting of Planning Commission and City Council
  - Public Open House(s)
- **April 2027:** Planning Commission consideration
- **April/May 2027:** City Council consideration

TECHNICAL WORK UNDERWAY

Austin Planning staff continue conducting peer-city research and consulting with key technical staff, industry experts, and environmental stakeholders to inform draft definitions for the Data Center land use category. Staff will finalize draft definitions, conduct additional analysis and engagement to identify which zoning districts, if any, these uses should be allowed in, and begin to develop draft site development standards for these uses.

The definition of data center will include:

- A description of typical site uses and functions,
- Descriptions of associated site infrastructure and other supporting elements,
- Thresholds based on site or building size, and
- Language clarifying how to apply the definition when sites incrementally develop over time.

Austin Development Services staff have also convened key technical staff from Austin Water and Austin Energy to begin identifying the components of the Operations Plan that will be required of certain data center uses.

REGULATING LARGE VOLUME WATER USERS

In addition to contributing to data center-specific policies, Austin Water is developing a broader and complementary policy framework to regulate water use of any customer with significant water

demands. This work was initiated by a July 2026 City Council Resolution No. 20260723-087 directing staff to develop recommendations related to large volume water users.

In response, Austin Water has been evaluating policies to define high-impact water users and require a new customer application process, individual water conservation plans, water budgeting, and annual reporting for these customers. On October 5, 2026, Austin Water held a public Open House to seek community feedback on draft policy concepts. Austin Water will present recommendations for a new High Impact Water User Policy Framework, including a timeline for future implementation and stakeholder engagement at the December 9, 2026 Climate, Water, Environment, and Parks City Council Committee.

REPORTING ON DATA CENTER REQUESTS

The resolution also directed the City Manager to report back to the City Council before approval of any potential data center project requests for electricity that exceed 20 megawatts (MW) or water that exceed 85 million gallons per year during the period in which amendments to the Land Development Code (LDC) are being developed and implemented.

State Law and City Code Requirements to Provide Service. As further explained in Attachment B, Austin Energy and Austin Water both have statutory obligations to provide continuous and adequate utility service within their certificated service areas. Under the Public Utility Regulatory Act and the Texas Water Code, each utility must serve all customers within its designated territory. The Public Utility Commission of Texas may revoke or adjust a service area if a utility fails to provide service. The Austin City Code also requires that utility service, including water and electricity, be provided in accordance with applicable regulations, approved delivery conditions, and City Council-adopted rate schedules.

Current Landscape and Context. Compared to other Texas communities, the Austin area receives far fewer requests for potential data centers and other high-volume electric customers. ERCOT currently has inquiries exceeding 474,000 megawatts (MW) – or 474 gigawatts (GW) – across 730+ potential projects, which is more than five times the all-time ERCOT peak record of 91 GW. For reference, one MW typically serves 250 homes. Many of these projects will not come to fruition, and those that do will not be interconnected for years.

Overall, the Austin community is not seeing hyperscale-type requests due to limited land space, the value of local real estate, and other considerations. Austin Energy currently has three medium load projects in the construction process that are nearing completion. These project studies occurred more than a year ago; two are existing customers – one for a total of 30 MW of new capacity and the other for a total of 27 MW of new capacity. Both projects will be energized in phases, with full capacity online by 2029. The third project is the publicly announced Project Cosmos/Highpoint 2222 campus.

Austin Energy Process. When Austin Energy receives a system capacity inquiry from a potential customer to explore service, it is reviewed using the following phased process:

- **Planning Study:** Austin Energy performs a reliability study to determine whether there is existing capacity on the electric grid to serve the requestor without impacting other customers. If current infrastructure is inadequate to serve the load, the study then assesses what new or upgraded electric infrastructure is necessary to provide the new service and maintain reliability.

- **Customer Acceptance of Planning Study:** After the Planning Study is complete, the requestor determines if they want to continue with the process.
- **Facilities Study:** If the requestor continues, Austin Energy performs a technical feasibility study to determine the specifics of the infrastructure needed to serve the request. The analysis assesses the full cost of the infrastructure and the timeline in which the new customer can be served.
- **Facilities Extension Agreement:** Once the Facilities Study is complete, Austin Energy documents the infrastructure details, cost, and timeline along with other terms and conditions, similar to an interconnection agreement. By signing, the requestor indicates they want to continue with the process. This agreement requires the requestor to pay the full cost for all new and upgraded interconnection infrastructure.
- **Design and Construction:** After the Facilities Extension Agreement is fully executed and payment has been made in full, the project is likely to complete the process to begin receiving electric service. This involves designing the remaining portions of infrastructure that connect the requestor's site to the electric grid and building out that infrastructure to ensure Austin Energy is able to provide reliable electric service.
- **Service Energization:** At the conclusion of this process, electric service is energized.

Austin Water Process. Water, wastewater, and reclaimed water service requests also follow a phased process:

- **Service Extension Request:** The requestor provides information on the water, wastewater, and reclaimed water needs for the proposed development, and Austin Water performs a capacity study to assess what new or upgraded infrastructure is necessary to provide the requested service. In some cases, Austin Water identifies oversizing to serve future system needs.
- **Customer Acceptance of Service Plan:** The requestor determines if they want to continue with the process. Service extension requests are often submitted early in the development process, and many do not advance or are revised and resubmitted. Once a customer accepts the service plan, they have six months to submit a development application or the plan expires.
- **Design and Water Benchmarking:** The requestor is required to design water, wastewater, and reclaimed water system improvements to meet City of Austin standards. Austin Water staff review design plans and conduct water benchmarking with the customer. Water benchmarking helps identify water needs on the site and opportunities to meet those needs with alternate sources, such as rainwater or condensate capture and connection to the centralized reclaimed water system.
- **Construction:** The requestor is responsible for the construction of infrastructure required to serve the site, including any upgrades to the existing system needed to avoid impacts to existing customers. If Austin Water staff identified oversizing of the proposed infrastructure to serve future needs, the utility will cost-participate on a pro-rated basis, subject to City Council approval. City staff inspect the construction prior to acceptance into Austin Water's system.

Current Potential Data Center Requests and Studies. Austin Energy and Austin Water have reviewed incoming system capacity inquiries and service requests seeking electric or water service. Both departments refer to these projects as "potential data centers" because the intended use is not

always confirmed, particularly in cases where the applicants are real estate companies that do not yet have a committed tenant or buyer.

Many inquiries submitted to Austin Energy are speculative, early in the requestor's development process, and ultimately may not materialize. Additionally, some inquiries are outside the City limits of Austin. As of September 30, 2026, Austin Energy received 13 system capacity inquiries from potential data center entities seeking to serve new demand of 20 MW or greater. Based on current inquiry levels, if all projects were to be fully built out – which is unlikely – the combined possible growth across Austin Energy's service area is 664 MW over the next 12 years.

None of these inquiries exceed 75 MW. Any request for power greater than 75 MW must go through a process formalized by the Electric Reliability Council of Texas (ERCOT).

The 13 inquiries are at various stages of the Austin Energy review process:

- Four are in the Planning Study stage.
- Five are awaiting customer acceptance of the Planning Study.
- Four are in the Facilities Study stage.
- None are ready to sign a Facilities Extension Agreement.

Austin Energy is providing this information in aggregated, anonymous form to comply with state law. Customer-specific or competitively sensitive information provided to Austin Energy by an existing or potential customer is confidential and not subject to disclosure.

Austin Water has not received any requests for water that exceed 85 million gallons per year but has received one administratively complete Service Extension Request (SER) for wastewater service only to a proposed data center near 16301 Cameron Road. The property is not in the City of Austin or its extraterritorial jurisdiction (ETJ), however, the site is within Austin Water's CCN for wastewater service, which requires Austin Water to provide "continuous and adequate" retail wastewater service. Wastewater flow estimates in the SER will require validation during Austin Water's technical review. The developer will be required to build the wastewater infrastructure needed to serve the site, and that system will require a utility-specific plan review.

Austin Energy and Austin Water will continue providing notification of service requests until amendments to the LDC or other applicable regulations are implemented.

Next Steps

- Continue to convene internal Data Centers Working Group. (Lead: Austin Planning)
- Prepare a draft ordinance to be considered on the December 3, 2026 agenda that would:
    - Modify Title 4 to provide non-land use regulations applicable to large-scale data centers; and
    - Potentially amend Chapter 25-1 to include a definition for "Data Center" (Lead: Austin City Attorney's Office)
- Convene technical staff to develop draft requirements for the Operations Plan that would be required of large-scale data centers. (Lead: Austin Development Services)
- Develop a detailed engagement plan and begin Phase 2 engagement activities. (Lead: Austin Planning)

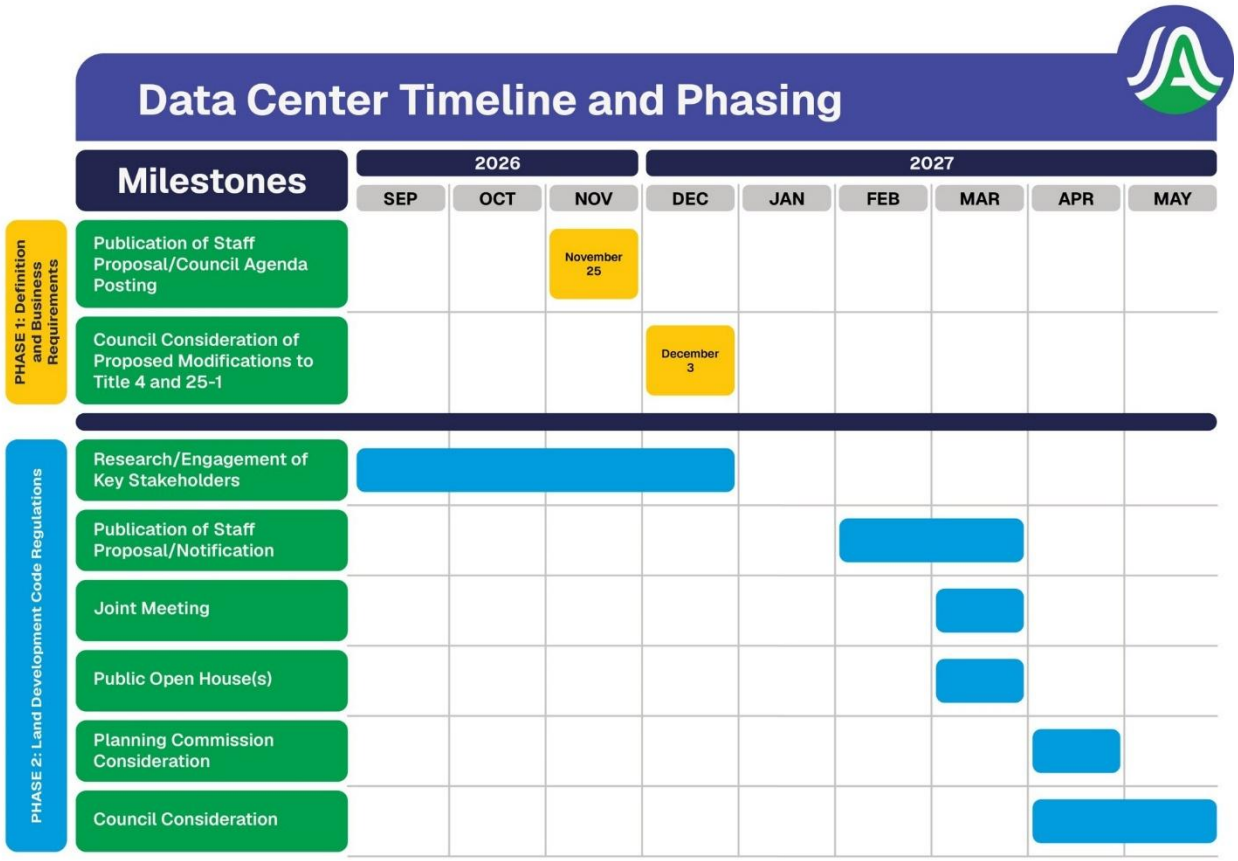
- Finalize draft land use definitions, identify which zones, if any, these uses should be allowed in, and begin to develop draft site development standards for these uses. (Lead: Austin Planning)
- Austin Energy and Austin Water will continue providing monthly notification of service requests for more than 20 megawatts (MW) or water that exceed 85 million gallons per year until amendments to the LDC or other applicable regulations are implemented.
- Austin Water will present recommendations for a new Large Water User Policy Framework on December 9, 2026 to the Climate, Water, Environment, and Parks Committee of Council.

Should you have any questions or concerns, please contact Joi Harden, AICP, Interim Assistant Director of Austin Planning, at joi.harden@austintexas.gov.

cc: T.C. Broadnax, City Manager
Erika Brady, City Clerk
Jason Hadavi, City Auditor
Mary Jane Grubb, Municipal Court Clerk
Judge Sherry Statman, Municipal Court
CMO Executive Team
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Attachments: A. Data Center Timeline and Phasing
B. Legal Requirements to Provide Utility Service

ATTACHMENT A
DARA CENTER TIMELINE AND PHASING



ATTACHMENT B
LEGAL REQUIREMENTS TO PROVIDE UTILITY SERVICE

Austin Energy is required by state law to provide electric utility service to the customers in its certificated area. Section 37.151 of the Public Utility Regulatory Act (PURA) states that the holder of a certificate of convenience and necessity must "serve ***every consumer*** in the utility's certificated area" and "provide continuous and adequate service in that area."[1] PURA also provides that the Public Utility Commission of Texas may revoke all or a portion of Austin Energy's service area if it finds that the utility is not providing service.[2]

Austin Water serves areas that are subject to the City's full-purpose jurisdiction, areas that are served pursuant to Certificates of Convenience and Necessity (CCNs), and other areas within its impact fee service area.[3,4] For areas addressed by a CCN, the City must provide service within those areas. Texas Water Code §13.250(a) states that any "retail public utility that possesses or is required to possess a certificate of public convenience and necessity shall serve ***every consumer*** within its certified area and shall render continuous and adequate service within the area."[5] As is the case for electric service, the Public Utility Commission of Texas can also revoke Austin Water's CCN or remove portions of its certificated service territory for failing to provide service.[6] For areas outside its certificated service territory, there is no similar statutory requirement.

The Code of the City of Austin echoes these requirements, stating in §15.9.31(A) that the City "shall provide utility service" – both water and electricity – and describes a number of conditions that the City may apply, including that service must be to a valid address, to an approved point of delivery adjacent to a City utility facility, using the most direct route, and in accordance with all applicable Code requirements.[7] Utility service must be provided in accordance with the City Council-approved rate schedule and in accordance with all applicable City regulations.

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[1] Public Utility Regulatory Act § 37.151(1),(2) (PURA) [emphasis added].

[2] PURA §37.059.

[3] Austin Water's impact fee service area is defined in LDC 25-9-2 and LDC 25-9, Article 3.

[4] Per Texas Local Government Code 552.001, municipalities may serve outside their municipal boundaries.

[5] Texas Water Code §13.250(a) [emphasis added].

[6] Texas Water Code §13.254(a)(1).

[7] Austin, Texas – Code of Ordinances, Utility Regulation, Utility Service Regulation, § 15-9-31 - UTILITY SERVICE PROVIDED. | Code of Ordinances | Austin, TX | Municode Library (Aug. 26, 2026).