



MEMORANDUM

TO: Mayor and Council Members

THROUGH: Jesús Garza, Interim City Manager *J.G.*

FROM: Bob Kahn, Austin Energy General Manager *BK*

DATE: March 8, 2024

SUBJECT: **Austin Energy Resource, Generation, and Climate Protection Plan Update**

I want to provide you with a status update on the process to revise the Austin Energy Resource, Generation, and Climate Protection Plan to 2030. City Council Resolution No. [20221201-040](#) directed Austin Energy to work with the Electric Utility Commission (EUC) on potential amendments to the 2030 Plan by the end of the first quarter of 2024. We are pausing the current process to address questions about Austin Energy's proposed path forward, pursue further stakeholder collaboration, and gather more information on energy technologies that can support our growing customer base and the changing energy market. Significant proposed changes to the 2030 Plan contemplated by both Austin Energy and the EUC require us to further collaborate on how to achieve a carbon-free future.

Austin Energy will take additional time to more thoroughly analyze generation resources and demand-side measures, while continuing to work with the community, EUC, and City leadership to analyze and share the key risks and benefits of various scenarios. We will continue to keep the City Council updated at Austin Energy Utility Oversight Committee meetings as we progress on creating a plan that accomplishes our overarching goals of environmental sustainability, reliability, and affordability.

Next Steps

We all share a common goal of reaching a carbon-free energy future as soon as possible. Austin Energy's mission is to safely deliver clean, affordable, reliable energy and excellent customer service. Part of that mission requires that we provide solutions that achieve each piece of our mission—reliability, affordability, and environmental sustainability.

Austin Energy will continue to refine its plan, focusing on the following strategies:

- Continue talks with LCRA to reach an exit of Austin Energy's portion of the Fayette Power Project in a way that eliminates the operation of Austin Energy's full ownership share;
- Engage in further collaboration with EUC working group members and conduct additional community outreach and education;
- Explore the market potential of customer demand-side programs to ensure our goals are robust and achievable;
- Seek more data and explore feasibility by releasing Requests for Proposals (RFPs) for various energy sources; and
- Examine whether a mid-course 2030 update is sufficient or if the next plan should be a 2035 Plan to align generation portfolio goals .

Austin Energy is committed to a full exploration of options for enhancing our generation portfolio. This involves an annual release of RFPs aimed at assessing the viability of potential changes. Building new generation, whether renewable or conventional technology, requires years of planning and development work before the electricity source is operational.

Looking ahead, we will issue RFPs that will help us gather more data surrounding carbon-free generation technologies, including wind, solar, geothermal, and hydrogen fuel cells. Additionally, we will be issuing RFPs pertaining to battery storage and flexible-fuel generation. This information will enable us to conduct thorough comparisons regarding environmental impact, operational efficiency, and costs. These insights will be crucial in refining our planning efforts and integrating them into an updated plan or returning with viable renewable projects in the nearer term.

Austin Energy is committed to engaging in a more robust, collaborative process to ensure a conversation addressing the needs of the Austin community and rooted in shared values of environmental sustainability and a common understanding of risks and challenges.

Austin Energy has long been a leader in clean energy, and we intend to maintain that leadership. Our customers' energy needs are already [met by 70% carbon-free energy](#). As part of its Texas Clean Energy Scorecard, the Sierra Club recognized Austin Energy as the [highest-scoring electric provider in the state](#). Austin Energy will continue on this trajectory as it targets 100% carbon-free generation as aggressively as possible while ensuring the utility can serve customers with reliable and affordable power.

If you have any questions, please contact me via email at bob.kahn@austinenergy.com or by phone at 512-322-6002.

cc: Robert Goode, Assistant City Manager