Austin Energy: 2025 Generation Resource Plan and Issues Going Forward

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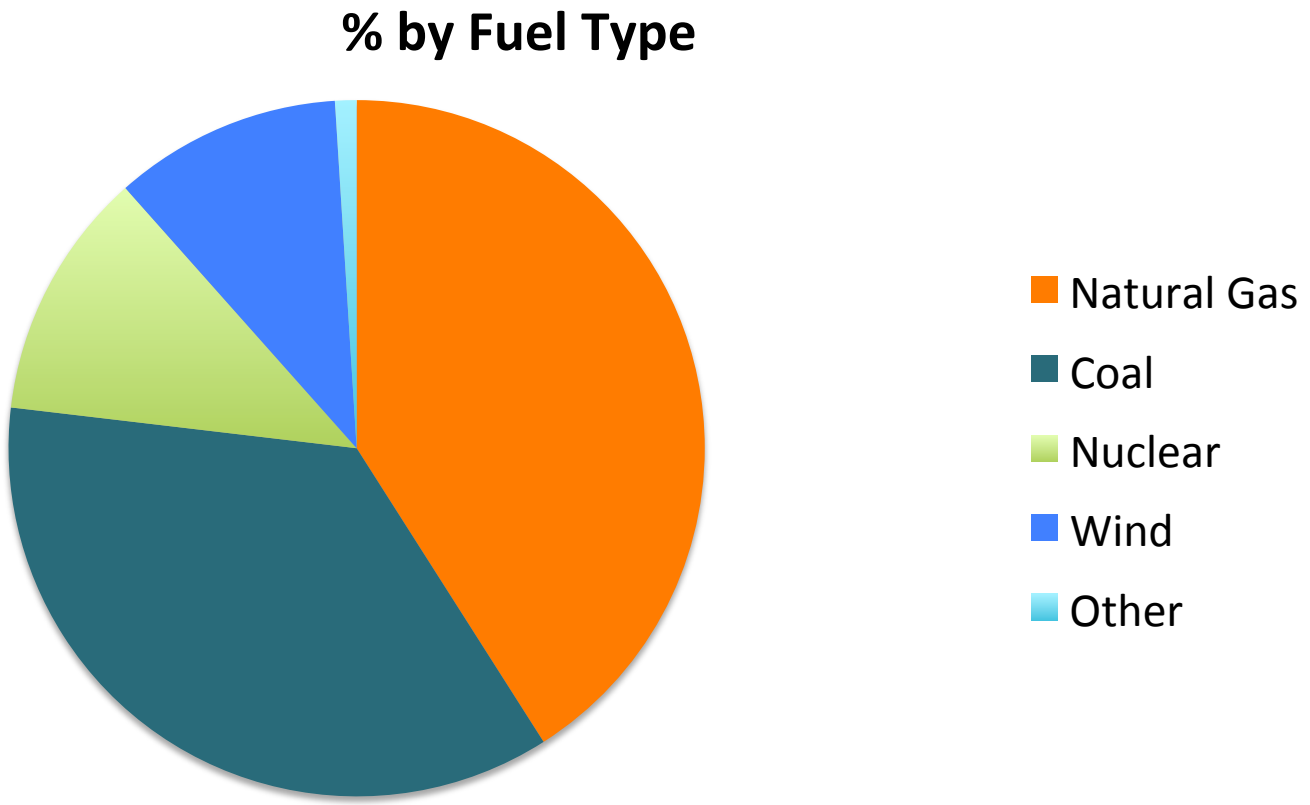
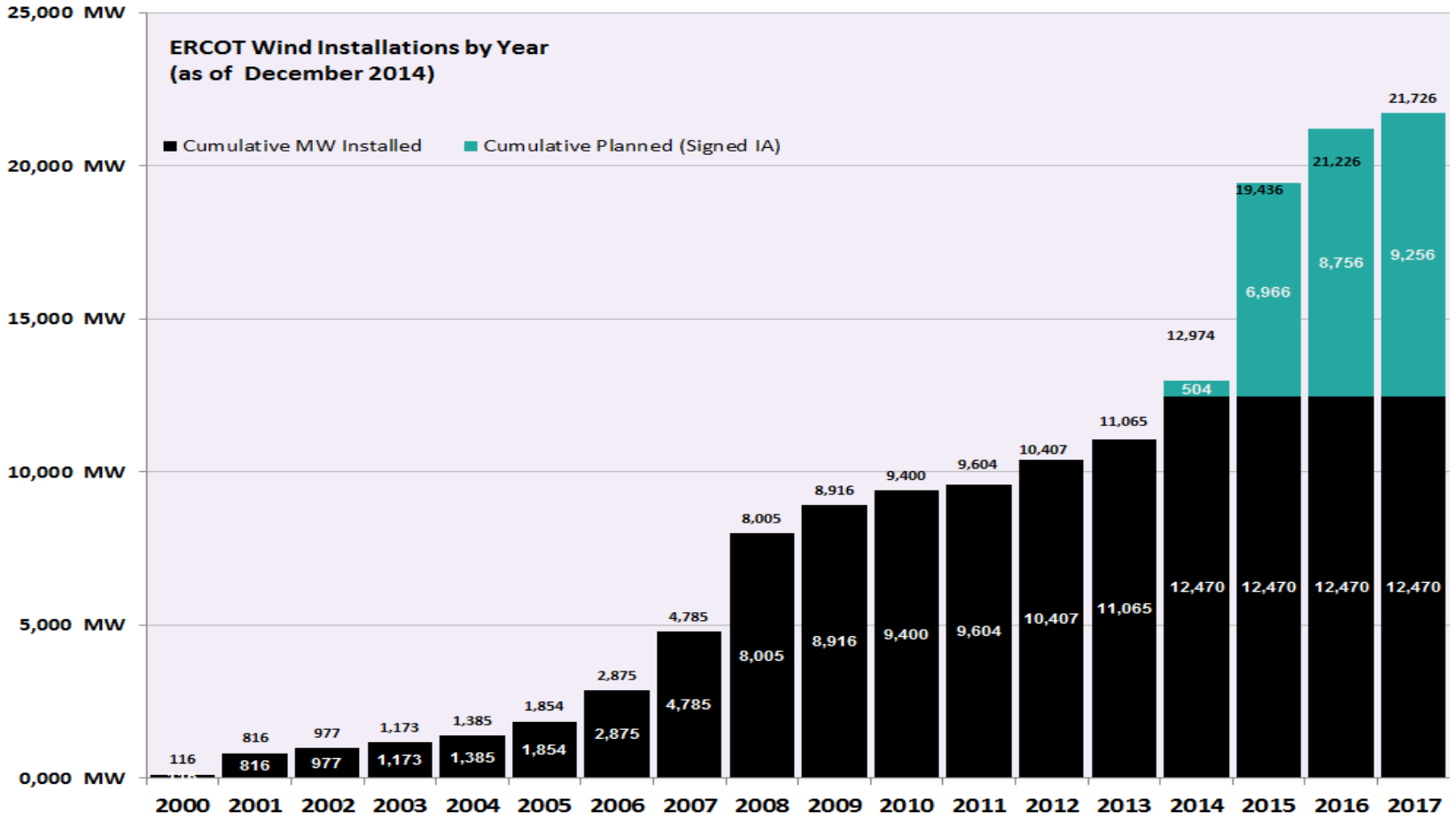
Putting it in context

- Plan must deal with oldest fossil fuel units, as well as affordability, reliability and environmental metrics like climate impact
- We are part of larger ERCOT market
- ERCOT : less coal and nuke and more renewables, distributed generation, faster newer gas plants, demand response and storage
- 2025 Generation Plan Reflects This Reality
- Sierra Club played a key role in the 2025 Generation Plan
- There are four steps that must be taken in 2015 and need Council review and approval

2014 ERCOT Fuel Type



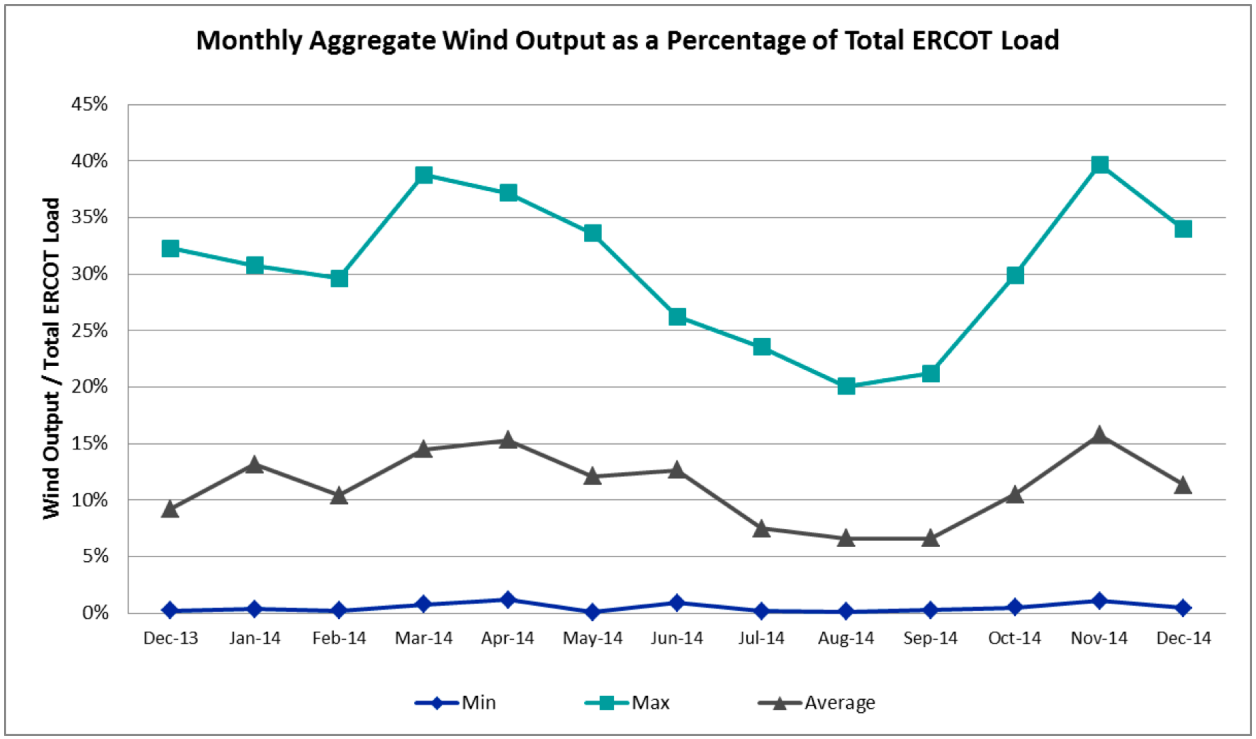
Wind Will Grow



The data presented here is based upon the latest registration data provided to ERCOT by the resource owners and can change without notice. Any capacity changes will be reflected in current and subsequent years' totals. Scheduling delays will also be reflected in the planned projects as that information is received.

This chart reflects planned units in the calendar year of submission rather than installations by peak of year shown.

Monthly Aggregate Wind Output as Percentage of Total ERCOT Load – up to 40% today



lots of generation is being planned – wind, solar, gas & storage

Fuel Type	Public with Signed Agreement	Under Study, Public	Confidential	Total
Gas	9,574	16,694	4,594	30,862
Coal	240	0	0	240
Wind	7,256	13,276	1,400	23,392
Solar	385	5,420	620	6,425
Storage		874		874
Total	18,372			55,321

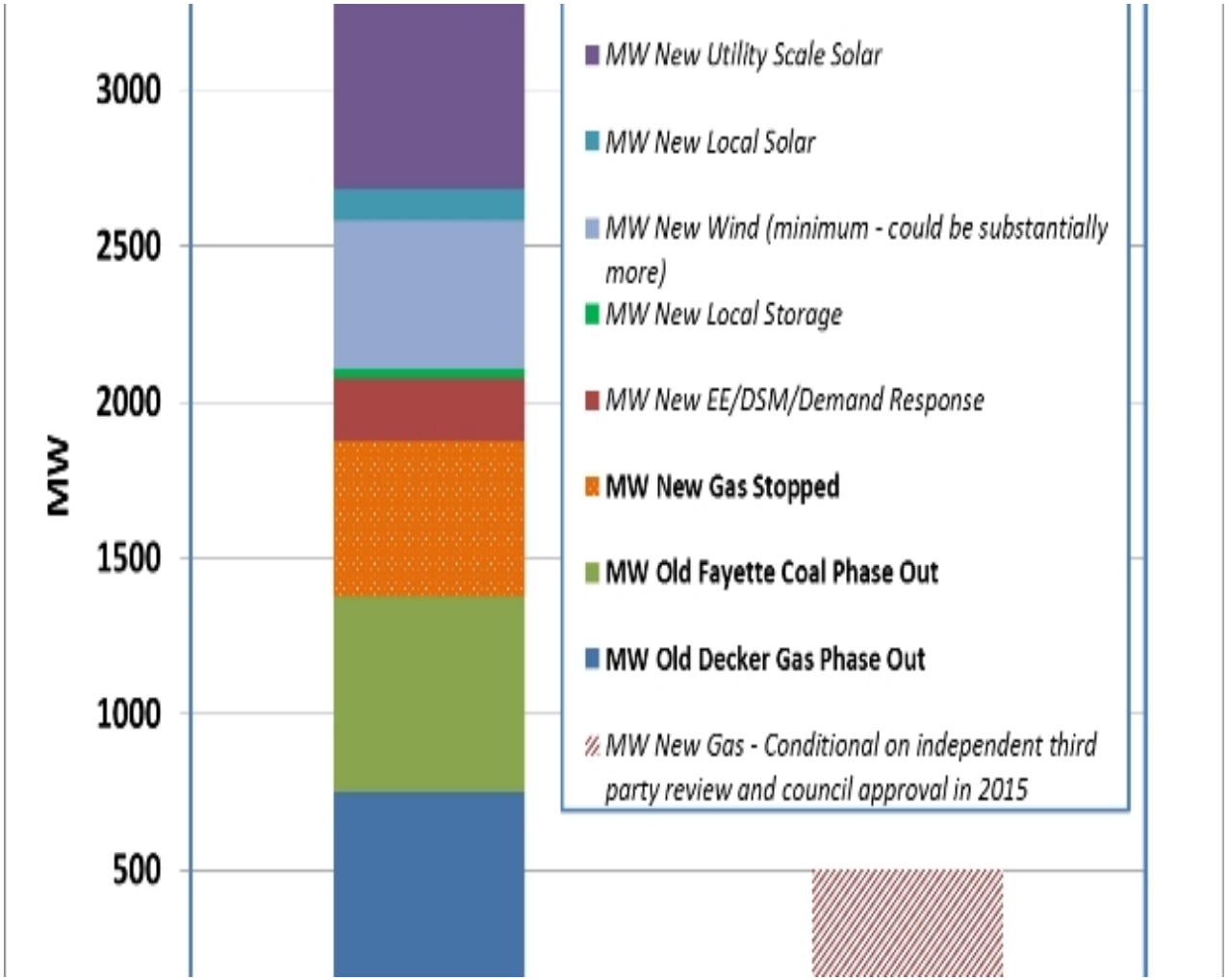
Note – There is no guarantee these projects will be built though much of those with signed agreement will. There are no nuclear or biomass resources listed in the report.

Source: ERCOT, Monthly Planning System Report, Dec 2014

History of Generation Plan

- 2010 Plan – 35% Renewables by 2020, 800 MWs Efficiency by 2020, 100 MWs of Solar and a Study on the Coal Plant
- Resolution 157 and 158 – Set big goals on local (200 by 2020) and solar (750 by 2017), renewables (65%), storage and carbon reduction if affordable
- 2025 Plan – Made adjustments to 157 that AE showed were affordable
- 2025 Plan -- 55% -65% Renewable Energy by 2025, 900 MWs to 1200 MWs of Efficiency, 950 MWs of Solar (200 Local), 450 MWs of Wind, at least 30 MWs of Storage while studying 200 MWs, and close Decker Steam Gas Plant and Fayette Coal Plant
- 2025 Plan includes a required study to look at feasibility of a new 500 MW modern gas plant, as well as other alternatives
- This plan deals with our oldest and dirtiest fossil fuel units; 157 did not

What the AE 2025 Generation Plan Looks Like



What AE and City Council Must Do This Year

2015, First Six Months

- Independent Study on Gas Plant and Alternatives, including financing and
- RFP for 600 MWs of Solar
- RFI for 170 MWs of Large-Scale Storage

2015 Later

- Begin study on best practices in gas fields to prevent air emissions

2016 BUDGET

- Budget appropriate amount for energy efficiency, weatherization and on-site solar in 2016 – 8-10 MWs of solar and 50-60 MWs of EE

- Begin funding transparent reserve account to begin paying off our debts and Fayette end our use of coal by 2023