

Planning for Austin's Future Energy Resources

Austin Energy (AE) has begun a public participation process designed to inform the citizens of Austin about future energy needs and challenges. This process invites discussion and feedback on an energy plan that assures reliable supplies of electricity between now and 2020.

The public participation process will involve a series of "town-hall" meetings, as well as meetings with specific stakeholder groups.

AE will distribute information on a draft energy plan, seeking input and discussion from across our community. The schedule of meetings and information is available at www.austinsmartenergy.com.

AE Load Forecast

AE's peak demand in 2007 was 2,445 MW. In 2008, primarily due to record temperatures, the peak demand was 2,515 MW. Assuming its conservation goal is met, by 2020, the peak demand is forecast to reach 2,845 MW. That 330 MW of increased demand represents power sufficient for an additional 230,000 homes.

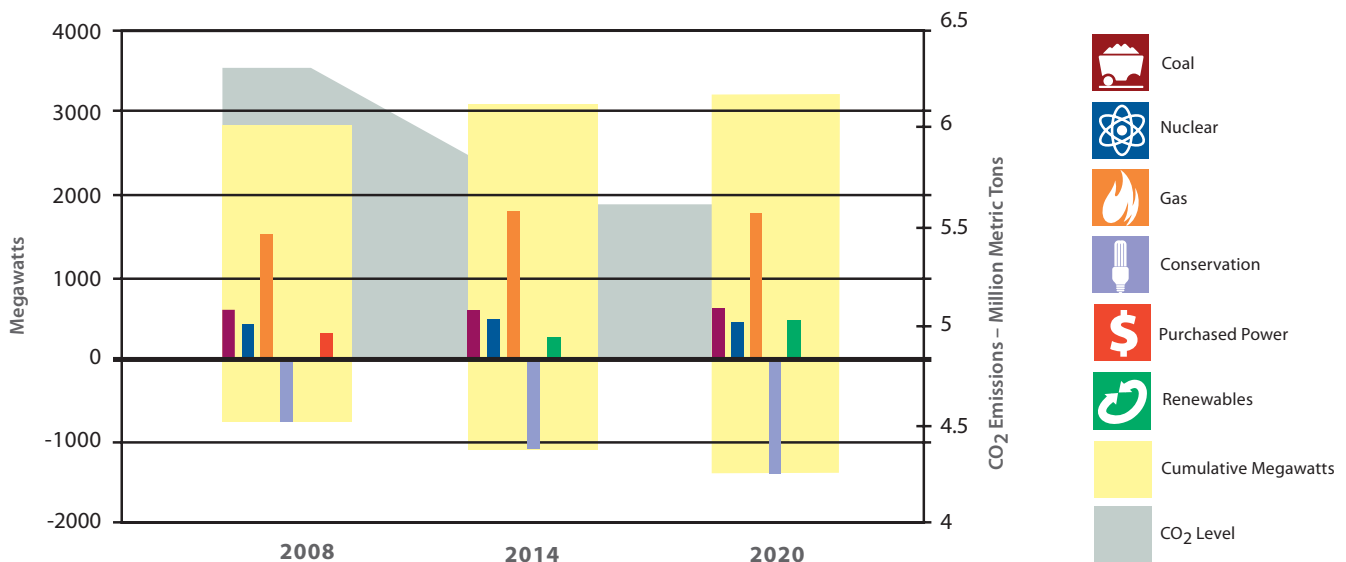
Austin City Council Resolutions

- Cap CO₂ emissions at 2007 level and reduce CO₂ emissions to 2005 level by 2014
- Attain 30% renewables by 2020, with 100 MW solar
- Achieve carbon-neutral new generation
- Reach an additional 700 MW energy savings by 2020 using demand side management and efficiency

AE Draft Resource and Carbon Reduction Plan

- Continue operations of current generation fleet
- Add Renewable and Natural Gas Generation
 - Add 200 MW combined cycle natural gas
 - Add 100 MW of solar and more rooftop photovoltaics
 - Add 600 MW of wind-generated power
 - Add 100 MW biomass plant
- Continue aggressive energy efficiency and load-shifting programs
- Cap CO₂ at 2007 levels
- Purchase offsets for CO₂ emissions that exceed CO₂ cap set by the City Council

Draft Resource and Carbon Reduction Plan



The draft plan will result in the reduction of total carbon emissions through increases in renewable energy generation, energy efficiency and the purchase of carbon offsets. The exact levels of carbon reduction will depend on the mix of generation moving forward and the amount of offsets purchased due to federal legislation.

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Austin Energy welcomes your thoughts and opinions on the resource plan. For additional information, see www.austinsmartenergy.com

Austin Energy (AE) is developing an energy plan to meet our electricity needs for the next decade. The utility has developed a draft proposal to meet City Council mandates for renewable energy and to reduce carbon emissions, while meeting high reliability standards and keeping our electricity rates low.

Why is Austin Energy developing an energy plan at this time?

Assuming AE achieves energy efficiency savings goals, we project the need for about 1,000 megawatts (MW) of additional generation by 2020. This is in addition to meeting the goal of reducing peak demand by 700 MW by that timeframe. The City Council has also set a goal that 30 percent of the electricity generated by AE be delivered from renewable resources by 2020 – to include 100 MW of solar capacity. Finally, as part of the Austin Climate Protection Plan, AE is tasked with capping carbon emissions, offsetting emissions through renewable energy credits or other means and installing new generation that is carbon neutral.

How is AE meeting the Council's goals for clean energy and reducing Austin's carbon footprint?

AE has long-term contracts for wind-generated power and a small amount of methane-landfill gas-generated power that together currently provide about 8% of the energy needs of the utility. Additional wind energy coming online this year, a proposed 30 MW of solar arrays that would come online in 2010 and the Nacogdoches biomass plant that would come online in 2012, would increase the amount of AE energy delivered from renewables to 18% in 2012. AE is on track to offset 700 MW of peak demand through energy efficiency, Green Building and its load-shifting programs. The effort to offset the 700 MW of peak demand began in 2004. Through 2008, approximately 280 MW of that goal has been achieved. AE recommendations on additional renewable energy to be utilized, non-renewable energy projects and the approach and goals for capping and offsetting carbon emissions will be presented to the City Council following the public participation process.

Will this system be as reliable under the new plan as the current system?

Yes. All resource planning is tied to our ability to provide reliable service to our customers. AE will always secure sufficient power to meet the needs of our community at all times. In addition, our electric system reliability consistently outperforms industry averages.

Will the cost of implementing this plan result in reasonable rates to all customers?

AE electric rates are among the lowest in Texas, and base electric rates have not increased since 1994. The cost of renewable energy technology is somewhat higher than the costs of traditional generation; however, the cost of renewables is trending down, while the costs of traditional fossil fuels are increasing.

Considering the "costs" of global warming, is our renewable portfolio aggressive enough?

Austin's Climate Protection Plan, along with prior decisions by the City Council, creates one of the most aggressive utility Green House Gas (GHG) reduction plans in the nation.

What is the purpose of the public participation process?

The goal of this process is to receive input from across the community on the types of programs and generation a majority of citizens favor, recognizing the associated costs and benefits. The public participation process will include town hall meetings, presentations, surveys and Web-based interactive resources to inform and solicit input on resource options.